

# INTERNATIONAL Herald Tribune

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## Trade Data: U.S. Numbers Game

By John Meehan  
International Herald Tribune

From the outside, the U.S. Census Bureau's signal, white brick headquarters, resembles any number of non-descript government buildings that have cropped up in Washington's suburbs to accommodate the bureaucratic sprawl.

But once a month, in an office somewhere on the second floor, the exact location is kept secret, six staff members calculate one of the world's most closely watched statistics, a number that routinely causes international financial markets to soar or to plunge. These workers add up American imports and exports in a task that has taken on a critical dimension since disappointing deficit figures for August forestalled Oct. 19's stock market collapse.

Like the U.S. money supply data in the early 1980s, the trade figures have become the subject of a monthly ritual of rumor and speculation from New York to Tokyo. The November statistics will be released Friday morning.

But what is less well publicized is the debate among experts, in and out of government, about the accuracy of this monthly data. While economists give high marks to Census officials for improving the report in the past year, many still question the statistics' validity.

"Anyone who's betting their life on the monthly figures is making a big mistake," said Lawrence Chimere, chairman and chief economist for the WEFA Group, formerly Wharton Econometrics. "There are too many erratic factors."

This is not to say that the U.S. trade figures are significantly better or worse than those published by other nations. Most analysts say the results, examined over time, are an acceptable measure of the seemingly intractable U.S. trade deficit.

Instead, they express concern that financial markets are overreacting each month to calculations that are undermined by antiquated customs techniques, spotty reporting and statistical methods that raise questions about the size of the deficit in any one month. Moreover, the monthly trade figures are rarely revised, as are other significant indicators such as gross national product.

The margin for error in the monthly deficit, many economists contend, can be as high as \$2 billion, hardly noteworthy given the heavy volume of U.S. trade but certainly an uncomfortable range in financial markets.

"I forecast \$15.3 billion for November," said Allen Sinai, chief economist for Boston Co. "But I'm telling clients that this could mean a \$14.5 billion deficit, which is possibly for the market, or \$16.5 billion, which is dangerous."

Dale Larsen, a senior economist for Bank of America in San Francisco, prefers the quarterly figures that are published by the Commerce Department but are virtually ignored by the financial community. "Quarterly figures are better because some clerk may discover some numbers in his desk," he said.

Don Adams, director of the Census Bureau's foreign trade division and the man in charge of compiling the monthly statistics, admits that there are problems. "We already have taken several steps to improve the quality of the figures," he said. "And more will be done."

In many ways, the sheer magnitude of the task makes the system vulnerable, experts say. Every month, customs agents at the 350 designated ports of entry around



JOYFUL IRANIAN DISSIDENTS — Members of the families of Iranian hunger strikers celebrating Thursday near Paris, after the French government announced that 15 Iranians and Turkish refugees deported to Gabon in December would be allowed to return to France or Spain. France said Thursday that the 15 would be deported again if they violated rules on asylum. Page 5.

## Israelis Detain Editors

### Crackdown Seen As Step in Rabin's 'Iron Fist' Policy

By Jonathan C. Randall  
Washington Post Service

JERUSALEM — Israel cracked down Thursday on the Palestinian press, detaining five journalists, including a prominent newspaper editor once endorsed as a delegate in Middle East peace talks.

The press crackdown came after the deportation to Lebanon on Wednesday of four Palestinians accused of inciting the disturbances there since Dec. 9 have opposed Israel's 30-year occupation of the West Bank and Gaza Strip.

Both moves appeared part of Defense Minister Yitzhak Rabin's "iron fist" policy designed to reestablish calm in the occupied territories, which passed a relatively calm day despite a continuing general strike in much of the West Bank and curfews on 13 refugee camps.

For the first time since Jan. 7, military sources reported no deaths connected with the disturbances.

[The Lebanese police said that four West Bank Palestinians deported Thursday to a Palestinian guerrilla faction aligned with Syria, The Associated Press reported.]

[At the United Nations in New York, the Security Council called on Israel to allow the deported Palestinians to return to their homes in the West Bank. The resolution was adopted, 14-0, with the United States abstaining.]

Israeli journalists suggested that the aim of the crackdown on the Palestinian press was to shut off news from the occupied territories that the Israeli-censored Palestinian press often passed on to Israeli and foreign reporters.

Paradoxically, persistent unconfirmed reports also suggested that Foreign Minister Shimon Peres's wing of the national coalition government was using Palestinian journalists as sounding boards and conduits to shadowy figures, now directing the demonstrations and protests.

Among the journalists detained was Hans Simora, the editor in chief of the daily Al Faraj who in 1985 was approved by Israel, the Palestine Liberation Organization and the United States as a Palestinian delegate to peace talks that eventually fell through.

He was questioned for five hours about his recent call for Palestinians to boycott Israeli cigarettes and soft drinks and released on the equivalent of a \$1,300 bond. Also released were Ibrahim Kara'in, See ISRAEL, Page 2

## U.S. Official Faults Japan Trade Offer

By Reginald Dale  
International Herald Tribune

PARIS — By signaling its readiness to take the unusual step of selling part of its official reserves to Japan, if necessary, the United States has extended its commitment to defend the dollar against a new wave of speculative attack.

Market analysts and monetary officials, however, expressed caution Thursday about the plan, under which Washington would acquire Japanese yen to support the dollar in exchange for special drawing rights. SDRs are special paper assets held by the United States in its account with the International Monetary Fund.

Reagan administration officials said that the SDR plan was "a way to stabilize the market should it be necessary, a way for the U.S. government to get its hands on additional yen."

Economic experts said that the offer showed some stiffening of U.S. resolve to stabilize exchange rates, but stopped short of a total commitment to the dollar's defense. "I'm still not sure their hearts are in it," said Chris Johns, an economist at Phillips & Drew, a London brokerage.

Many private analysts believe that the United States should take the further step of issuing bonds denominated in foreign currencies to support the dollar, a proposal that Washington is still adamantly resisting.

Foreign exchange markets paid little attention Thursday to the SDR plan, which was unveiled Wednesday after President Ronald Reagan announced new joint efforts with Japan to stabilize currencies. (Page 15.)

The markets, where the dollar was trading little changed, were instead worrying over U.S. trade figures to be released Friday.

Japanese officials, who want to

## China Sends Condolences to Taiwan As Zhao Praises Chiang's Policies

By Daniel Southerland  
Washington Post Service

BEIJING — Extending an olive branch to old enemies, the Chinese Communist Party leader, Zhao Ziyang, sent an extraordinary message of condolence to Taiwan on Thursday over the death of the island's staunchly anti-Communist president, Chiang Ching-kuo.

According to the official Xinhua news agency, Mr. Zhao praised Mr. Chiang for standing for the reunification of Taiwan with the Chinese mainland and for making efforts to relieve tensions between the two sides.

Mr. Zhao called on Mr. Chiang's successors in the Taiwan leadership to promote what he described as "the promising momentum" beginning to appear in the relationship between the two sides. He reaffirmed Beijing's advocacy of a "peaceful reunification" between the mainland and Taiwan.

Xinhua said the Communist Party Central Committee sent a message of condolence to the Central

The message from Beijing read: "Shocked to learn of the passing away of Mr. Chiang Chung-kuo, we would like to express our deep condolences and sincere sympathy to his relatives."

China's national television network opened its program Thursday evening with unprecedented coverage of Mr. Chiang's life. It devoted two minutes to describing the message of condolences and showing films from Mr. Chiang's speeches and other activities that have never been seen on the mainland before.

The television announcers had nothing negative to say about Mr. Chiang. But, in line with all the other comments emanating Thursday from Beijing, they did not recognize Mr. Chiang as the president of Taiwan but referred to him in-

Some analysts fear infighting or a coup in Taiwan following Chiang's death. Page 6.

Committee of the Kuomintang, Taiwan's ruling Nationalist Party. It pressed shock at the death of Beijing's longtime foe, who died Wednesday at age 77.

The Communists had driven the nationalist forces led by Mr. Chiang's father, Chiang Kai-shek, off the mainland nearly four decades ago.

## Warhead Limit at Issue As Arms Talks Resume

The Associated Press

GENEVA — U.S. and Soviet arms control negotiators opened a new round of talks on Thursday intended to conclude a treaty to cut intercontinental nuclear forces by 50 percent in time for the Moscow summit meeting planned for later this year.

The first meeting, a luncheon at which the Russians played host took place in a "constructive and cordial atmosphere," the U.S. spokesman, Terry Shroeder, said.

He said that in the two-and-a-half-hour session both sides discussed "the modalities of how to proceed" with the talks. He did not elaborate.

The delegations are headed by Alexei A. Obukhov for the Soviet Union and Max M. Kampelman for the United States.

U.S. to Stick to Position

Michael R. Gordon of The New York Times reported earlier from Washington: The United States will stick to key elements of its position on reducing long-range nuclear arms in the new round of talks, Reagan administration officials said Wednesday.

The officials said the United States would repeat its proposal for a limit of 3,000 on the number of warheads on land-based missiles and would repeat its demand for a ban on mobile missiles.

But some administration officials said they expected American officials to explore compromises on these issues in this round and to try to lay the groundwork for a meeting scheduled next month in Moscow between Secretary of State George P. Shultz and Foreign Minister Eduard A. Shevardnadze.

Mr. Shultz and Mr. Shevardnadze are to meet three times before a summit meeting between President Ronald Reagan and Mikhail S. Gorbachev in Moscow, which officials expect to be held in May or June. Some administration officials say they view the meetings between the foreign ministers as the principal means for resolving key issues.

Edward L. Rowny, a conservative adviser to President Reagan, said Wednesday that the "chances are not overwhelmingly great" that the two sides could complete a treaty before the summit meeting.

The two sides have worked out the outlines of an agreement reducing long-range arms but still have important differences over the U.S.-proposed ban on mobile missiles, the question of what limits should be placed on land-based missiles and other matters.

On mobile missiles, some administration officials said several compromise positions had been considered within the administration. The administration is said to have considered proposals that would permit mobile missiles that travel on roads while banning those that travel by rail. An alternative plan would set an overall limit on mobile missiles of whatever type.

On the subject of a limit on war-

## Kiosk Seoul Identifies Woman on Jet

SEOUL (AP) — A woman who left a Korean Air jetliner before it crashed near the Chinhae border in November with 115 people on board was a North Korean agent trained in terrorism, state television reported Thursday.

The television, KBS, quoted government sources as saying the woman is Kim Yoon Hee, 27. She disclosed her family background and that she was trained in terrorism by North Korea, the report said. A government statement on the case is expected Friday.

The woman had traveled on a false Japanese passport under the name Mayumi Hachiya. She has been questioned about the case since her extradition from Bahrain on Dec. 16.

## For Latin Americans, The Dollar Still Reigns

By Juan de Onis  
International Herald Tribune

RIO DE JANEIRO — The dollar may be bucking before the Deutsche mark and swooning before the yen, but in much of South America it is still king.

"The dollar's continuing strength is partly psychological and partly lack of information," said Bertio Heider, a Brazilian travel agent. "We have passengers who are going to Germany and insist on buying dollars, even when they could buy marks at exchange dealers here more cheaply than in Germany."

One reason is that there are not enough marks, yen, francs, guilders and pounds circulating in South America to meet market needs. Another is that the continent historically is a "dollar area," and there has been no shift toward a stronger currency.

Local currencies are closely linked, by official exchange rates or black market trading, to the U.S. currency. As the dollar falls or rises, such currencies as the Brazilian cruzado and the Peruvian sol follow.

"When the dollar fell 35 percent, there was some interest in European currencies," said a Brazilian money dealer. "But in the southern cone of South America, the dollar is the starting point for all currency deals."

Another money dealer agreed. "The dollar is a habit," he said. "We see some increased interest now in European currencies by smart investors, but it will take time to change the market."

The dollar's strength seems folkloric at times. The currency still has magic. It is praised in popular sayings and symbolizes speculation.

"I go up like the dollar and down like the cruzado," goes a slogan painted on some truck bumpers in Brazil. On a wall in central Rio de Janeiro, an anonymous muralist has painted a huge dollar sign, surrounded by prostrated human figures, like Muslims praying, under the title: "Enough of Speculation."

The dollar is the currency of the tourist industry, in part because



Alexei A. Obukhov, left, the head of the Soviet team at the new round of nuclear weapons reduction talks in Geneva, welcoming Max M. Kampelman, center, the chief of the U.S. delegation, and Henry F. Cooper to a luncheon on Thursday at the Soviet Mission.

## NYSE Curtails Block Trading

NEW YORK (Reuters) — The New York Stock Exchange asked its member firms Thursday to curtail program trading when the Dow Jones average of 30 industrial stocks reaches a high or low of 75 points from the previous day's close.

The NYSE said the request would go into effect Friday, when the U.S. trade report for November is expected to have a major impact on the market, and continue for the six sessions through Jan. 22.

## General News

Iran has received Silkorm missiles through North Korea, U.S. sources say. Page 2.

The collapse of merger talks has thrown Britain's political center into disarray. Page 5.

Travel

A memorable trip up Mount Kilimanjaro. Page 7.

## Aggressive Men Cope Best With Heart Disease, Study Finds

By Michael Spector  
Washington Post Service

WASHINGTON — Challenging one of the more popular notions of modern health care, researchers say they have found evidence that men with hard-driving "Type A" personalities are almost twice as likely to survive heart disease as those who are less aggressive.

The study also questions the theory that Type A behavior leads to a higher risk of heart disease, a theory that has led millions of Americans to change their life styles.

"The results really summed us," said Dr. David R. Ragland, an epidemiologist at the University of California at Berkeley. "Changing Type A behavior may prove to have no beneficial effect, and there is some evidence that it will even be harmful."

The study, which appears in Thursday's issue of The New England Journal of Medicine, is certain to add fuel to the continuing debate over the health effects of the competitive and aggressive behavior that describes the Type A personality. In contrast, "Type B" personalities are described more often as patient and secure, rarely letting minor problems upset them.

Dr. Ragland and Dr. Richard J. Brand studied 257 men of both personality types who were identified as having heart disease. Over a 13-year period, the Type A men were only 58 percent as likely as the others to die from heart disease.

Previous studies have suggested that behavior modification programs among Type A men who had suffered heart attacks would cut their risk of a second attack in half.

But the definition and importance of Type A behavior, and the relationship between personality and heart disease, have been disputed for more than 30 years. Many experts now say there is a complicated relationship, but they are not certain that rules can apply to groups of people.

Dr. Ragland said, "It might be that what is good for one person is disastrous for another when it comes to heart disease."

His study found that in the short term, Type A and Type B patients died of heart disease at the same rate. Among the 231 cases who survived for at least 24 hours, however, the mortality rate for the 160 Type A men was far lower than for the 71 Type B men.

The authors cite as one possible explanation that Type A survivors may respond more forcefully to heart disease. They may be better at changing their diets and habits. And because Type A people are often considered leaders, they might have had a better ability to take charge of their medical situation.

In the past, those who believe in Type A theories suggested that the feelings of hostility and aggression harbored by Type A personalities led to the extra secretion of certain hormones. That, in turn, causes unacceptable increases in blood pressure and heart rate that can lead to coronary heart disease.

Recently, however, research has challenged the traditional wisdom that Type A behavior would lead a person to an increased risk of heart disease. Doc-

tors often disagree on how to measure Type A, how to treat it or whether it really exists.

In an editorial also published in Thursday's New England Journal, Dr. Joel E. Dimsdale writes that the new research "presents such a startling conclusion that it is appropriate to reassess the legacy of studies on Type A behavior."

Although previous data from the Western Collaborative Group Study, which followed 3,154 healthy men for eight and a half years, provided support for the view that Type A men were at increased risk for heart disease, Dr. Dimsdale wrote that the current information "casts a long shadow indeed" over the entire theory.

But Dr. Meyer W. Friedman, who wrote the original research on Type A behavior and remains one of its most forceful believers, called the new research flawed.

"They did not classify the people properly," he said. "We have found very clearly that Type A behavior causes heart disease and that those who modify it are at reduced risk for heart attacks."

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# U.S. Believes North Korea Sent Missiles To Tehran

By Molly Moore  
Washington Post Service  
WASHINGTON — A shipment of Chinese-made Silkorm missiles from North Korea is believed to have arrived Monday at an Iranian port, according to Reagan administration sources.

About half a dozen missiles and a launcher were spotted on the dock of a North Korean port where the Iranian merchant ship Iran Bayan was loading two weeks ago, according to intelligence reports.

When the ship sailed, the missiles and equipment were no longer on the wharf, indicating that they had been loaded on the ship, the reports said.

[China denied Thursday that it had sent Silkorm missiles to Iran, Reuters reported from Beijing. The Foreign Ministry announced, "We have already taken strict measures very early to prevent the flow of Chinese missiles into Iran through the international market."]

U.S. intelligence sources monitored the ship as it sailed from North Korea into Bandar Abbas, the Iranian port, sources said.

U.S. officials reported two weeks ago that they believed that China was sending Iran more Silkorm missiles or a newer, more deadly cruise missile that could be used in escalating the "tanker war" with Iraq in the Gulf.

Intelligence sources spotted crates of the new missiles on docks in North Korea but lost track of that shipment, the officials said. Defense Department officials said Wednesday that they did not believe those missiles were part of the shipment received Monday.

Silkorm missiles have been considered a major threat to shipping in the Gulf where the U.S. Navy has been escorting American-flagged Kuwaiti tankers since July.

An Iranian Silkorm attack on an American-flagged ship in a Kuwaiti harbor prompted U.S. retaliation last October in which the navy destroyed Iranian platforms used in the Gulf for military operations.

U.S. officials have criticized China harshly for selling Silkorm missiles and other anti-ship weapons to Iran and decided late last year to delay transfers of high-technology items to China unless it stopped such shipments.

China is Iran's largest weapons supplier and is believed to have sold Iran about 100 Silkorms in recent years, U.S. sources say. China also is a major supplier for Iraq, which has been at war with Iran since September 1980.

Iran has launched several Silkorms against Iraqi land targets and hit two ships in Kuwaiti waters. Kuwait is an ally of Iraq.

## Iran Ship Fires on Tanker

An Iranian warship pumped rocket-propelled grenades and machine-gun fire into a Dutch tanker, injuring two seamen and damaging the crew quarters. The Associated Press reported from Manama, Bahrain.

The 35,731-ton Petrobank Pioneer was hit just outside Dubai's territorial waters at 4:55 A.M. and it later anchored near the port, where the injured men were taken to a hospital, witnesses and shipping executives reported.

The attack caused a minor fire on the ship, owned by Naess Shipping Holland BV, said shipping executives, who spoke on condition of anonymity. They said the 24-man crew extinguished the flames.

# Bonn Shuts Nuclear Plant Over Waste Shipments

Reuters  
BONN — West Germany shut down a nuclear processing facility on Thursday in an uproar over illegal transportation of nuclear waste. Government sources also said that a Belgian company implicated in the affair might have resold material suitable for making nuclear bombs to Libya and Pakistan.

Federal Environment Minister Klaus Toepfer said that the Nukem GmbH nuclear fuel processing facility in Hanau was ordered closed because of evidence it had covered up the transportation of more than 2,000 barrels of highly toxic waste by a subsidiary.

The subsidiary, Transnuklear GmbH, lost its license to ship nuclear waste on Dec. 17 after investigators found that it had transported

2,438 barrels of falsely labeled waste to and from a Belgian processing center.

The waste included 321 barrels of plutonium, used in the making of atomic bombs.

Transnuklear is accused of systematically bribing ship inspectors to enable it to ship the waste.

Government sources in the state of Hesse, where the Nukem facility is situated, said that the nuclear processor in Mol, Belgium, that handled Nukem's waste was suspected of having provided nuclear materials to Libya and Pakistan.

The sources said the material alleged to have been sold by the Belgian company was suited to the production of nuclear weapons.

"Transnuklear had very close

contacts with the Mol nuclear processing complex," a Hesse government source said.

Interpol, the international police agency, is investigating suspected nuclear shipments to Pakistan and Libya through Switzerland, the source said.

Western officials believe that Pakistan may be pursuing a secret program to build nuclear bombs with plutonium and other materials obtained abroad. Pakistan has denied this.

Mr. Toepfer said that the Nukem complex was being ordered to suspend operations immediately due to evidence of "irregularities in the transport and processing of radioactive waste."

He said it appeared that Nukem had violated its operating license

by covering up illegal operations by Transnuklear.

In Hanau, Nukem officials were not immediately available for comment.

The Nukem complex in Hanau is one of several major nuclear fuel manufacturers in a town that is one of the West's most important supply centers for atomic energy.

Bonn's action against Nukem appeared intended in part to shore up flagging public confidence in West Germany's large nuclear power industry. Public opinion surveys have detected deep distrust since the April 1986 Chernobyl nuclear accident in the Soviet Union.

West Germany has 21 nuclear power plants supplying about one third of the nation's electricity. The Christian Democrats, who

hold power in Bonn as well as Hesse and several other states, back the continued use of nuclear energy. The Social Democrats and Greens want all nuclear power plants closed.

Assertions by the Greens party that Nukem and another Hanau nuclear fuel producer, Alkem GmbH, were running unsafe operations and should be closed dominated the Hesse state election campaign in 1987.

## Chernobyl Cost Is Revised

The Soviet Politburo disclosed Thursday that the accident at the Chernobyl nuclear power station cost the equivalent of almost \$14 billion, or four times what had been reported earlier. The Associated Press reported from Moscow.



Two Palestinian women fleeing for cover on Thursday as an Israeli patrol moved through the Balata refugee camp on the West Bank.

# ISRAEL: Clampdown on Arab Press Is Seen as Part of 'Iron Fist' Policy

(Continued from Page 1)

owner of the Palestine Press Service, which disseminates news about the occupied West Bank and Gaza Strip, and Ghassan Ayoub, a spokesman of the Palestinian Hotel Workers Union.

Still in custody facing more serious charges of belonging to the outlawed PLO were Mohammed Zuhair, who worked for Al Fajr; Salah Zuhair, deputy editor of the daily Ash-Sha'ab and Abdul Latis Ghaihi, former editor of Al Fajr.

Mr. Zuhair's home was raided at 2 A.M. and for two hours agents

of Shin Bet, the domestic intelligence agency, broke furniture, tore up photographs and left the premises in a shambles, according to witnesses.

Meanwhile, in Gaza, the authorities detained three prominent personalities for most of the day before releasing them. They were Dr. Zakaria al-Agha, chairman of the Medical Association; Fayed Abu Rahmeh, chairman of the Gaza Bar Association, and Dr. Abdel Shafi, head of the Palestinian Red Crescent.

Their detention appeared designed to prevent their attendance

at a news conference in an East Jerusalem hotel at which a 14-point communiqué was published calling for removing restrictions on political contacts with the PLO.

The occasion also marked the first time that major, older, middle-of-the-road members of the Palestinian establishment had succeeded in overcoming differences to act in concert backing standard PLO demands.

The communiqué also demanded that Israel stop deportations, honor the Geneva Conventions protecting civilians under military

occupation, release prisoners arrested since Dec. 9, lift the "siege" of Palestinian refugee camps, stop land confiscation and cancel various taxes.

Meanwhile, Marrack Goulding, a UN undersecretary-general, paid a quiet visit to the Dehaishe refugee camp south of Jerusalem. The presence of Israeli troops at camps he sought to visit in Gaza earlier had touched off violent protests.

He later met with Mr. Peres for a brief visit during which he expressed his "concern and disappointment" over the expulsions.

# DOLLAR: King in Latin America

(Continued from Page 1)  
tolerated by the authorities and the black market rates are quoted on television and published in newspapers.

A dealer who asked not to be identified estimated that \$25 million is traded daily on the black market. Tourism, he said, accounted for only about \$2 million a day.

The Brazilian police suspect that some of the dollars in the country come from gold smugglers and cocaine traffickers from Bolivia, Colombia and Peru.

Rates change daily, responding to demand and movements in the official rate. There are almost daily "microevaluations" of the official rate by South American central

banks trying to offset soaring inflation.

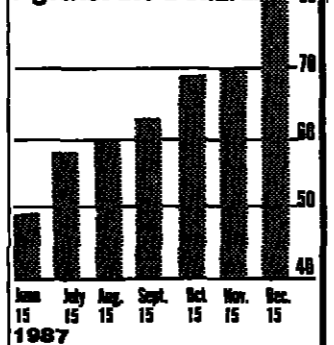
The bulk of the black market transactions are believed to involve exporters who do not include in their invoices all the payments they receive for goods and services sold abroad. They then can sell the hidden dollars on the black market for a tax-free gain.

Some buyers on the black market are seeking dollars for payments or transfers abroad that are not officially recorded. Shipping companies are important buyers. So are holders of cruzados who want to make payments or deposits abroad but do not want to wait for the licenses required to exchange such sums.

In Brazil, if interest rates lag behind rising prices, companies with cruzados on hand may make short-term investments in black market dollars as a hedge against inflation.

Black market dealers are in close contact with banks and correspondents abroad, but they rarely engage in currency speculation. Their business code stipulates that rate competition should be avoided and that their market quotations move in an orderly fashion.

## The Cruzado's Black Market Rate Against the Dollar



The black market rate is viewed by many people as the real measure of the local currencies. A big jump in the paralelo can have serious repercussions, raising inflationary expectations or destabilizing a financial system.

Before he resigned last month as the Brazilian finance minister, Luiz Carlos Bresser Pereira met with the major black market dealers, appealing for restraint in their rate increases. They complied until the release of November figures showing a 17-percent rise in the cost of living.

The black market dollar rate then rose from 70 cruzados on Nov. 15 to 90 cruzados on Dec. 15. In June, when Mr. Bresser Pereira announced an economic stabilization plan, the rate was 50 cruzados. The rate is now 92 cruzados.

# CHINA: Condolences Sent

(Continued from Page 1)

stead as the Kuomintang chairman. Kuomintang officials, meanwhile, dismissed China's message of condolence as nothing more than psychological warfare, or a United Front tactic, aimed at luring the nationalists into negotiation with the Communists.

The Communists have said frequently that they would like to re-ignite the spirit of the United Front of the 1930s, when the Kuomintang and Communist Party united against the Japanese.

China has proposed that Taiwan accept reunification under a "one country, two systems" model. Taiwan could keep its administration and armed forces, Beijing says.

But the Kuomintang has adopted the "three no's" position of no contact, no compromise and no negotiations.

Raymond R.M. Tai, a spokesman for the Kuomintang's Central Committee, said that Beijing's message of condolence is "their normal practice," adding, "They never forget United Front tactics."

"On the one hand," Mr. Tai continued, "they show sympathy and, on the other, they attempt to isolate us internationally or threaten to take us over militarily."

Chinese foreign affairs specialists in Beijing say that the Communists would rather deal with a strong leader such as Mr. Chiang, who held undisputed power, than with a weaker president, which the specialists think Lee Teng-hui, Mr. Chiang's successor, may be.

"It's going to make reunification harder," said a specialist at the foreign affairs college in Beijing. "Now no one person has absolute power in Taiwan."

Beijing's assessment is that Mr. Lee has little real power and will have to act with great caution when it comes to sensitive issues such as reunification with the mainland.

Under Mr. Chiang, Taiwan took a few tentative steps that appeared to point toward a larger opening to the mainland, allowing tens of thousands of people on the island to visit relatives.

Many Taiwan businessmen are eager to trade with the mainland, and are increasingly doing so. They are attracted by cheaper labor costs. But few of them seem to be interested in a political accommodation with the mainland.

## 2 Are Killed in Conrail Crash

United Press International  
THOMPSONTOWN, Pennsylvania — Two Conrail freight trains collided head-on Thursday on a rural stretch of track, killing two crew members, injuring two others and leaving two more unaccounted for, officials said. Five locomotives — two on one train and three on the other — were set on fire.

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# Extremists Attack Both Party Rally

JOHANNESBURG (Reuters) — White-against-white violence broken in South Africa, with neo-fascists disrupting a rally of the governing National Party as the country enters a series of elections in which far-right proponents of apartheid are seeking greater power.

Tear gas and stink bombs were thrown Wednesday night in Standerton, southeast of Johannesburg, after fighting broke out between National Party supporters and members of the white supremacist Afrikaner Resistance Movement. About 200 members of the movement were at the meeting.

The movement supports the Conservative Party in a March 2 election for a parliamentary seat in Standerton. The Conservatives, who oppose the limited apartheid reforms introduced by President Pieter W. Botha, won 23 seats in 1987. Political commentators say they may strengthen their base in municipal elections and in special elections for three seats in Parliament.

## Japanese Named to World Health Job

GENEVA (AP) — Dr. Hiroshi Nakajima of Japan, a specialist in psychopharmacology who joined the World Health Organization in 1976, was named Thursday to succeed Dr. Halldan Mahler of Denmark as director-general of the United Nations agency.

The nomination was made at a private session of the organization's member Executive Board and announced later. It is subject to approval by the 166 member nations at the World Health Conference in May when Dr. Mahler, 62, will complete his third five-year term. He may seek another term. Confirmation of Dr. Nakajima is considered a virtual certainty.

Dr. Nakajima, 59, has headed the organization's Regional Office for the Western Pacific in Manila since 1979. His other posts with the agency included chief of the drug policies division. He would be the first Japanese to head a UN agency.

# U.S. Faults Pakistan in Export Case

By David K. Shipler  
New York Times Service

WASHINGTON — The State Department has concluded that the Pakistani government was probably involved in a plot by a Pakistani-born businessman to smuggle material for nuclear weapons out of the United States, according to U.S. officials.

But the department, in a memorandum to President Ronald Reagan, also recommended that the president issue a waiver of a law that would require a cutoff in aid to Pakistan, Reagan administration and congressional officials said Wednesday.

As a result, there will be no sanctions against Pakistan, whose cooperation is deemed essential in providing bases and conveying military supplies to guerrillas fighting Soviet troops in Afghanistan.

The decision could clear the way for the payment of \$480 million in U.S. military and economic assistance to Pakistan this fiscal year. U.S. officials were in Pakistan earlier this week to discuss the details of the aid package, including a Pakistani request for several AWACS radar planes.

Congress approved the first portion of a new six-year, \$4 billion aid package for Pakistan after a long debate over whether and how the United States should use its influence to head off a Pakistani-Indian nuclear arms race.

The State Department spokesman, Charles E. Redman, said Thursday that the administration had made "no final decision" on the waiver issue. The Washington Post reported. He refused to comment on whether the department had concluded the Pakistani government was probably connected to the nuclear smuggling activities.

The nuclear case involved Arshad Z. Pervez, a Canadian businessman born in Pakistan, who was convicted in Philadelphia in December of trying to purchase and send to Pakistan 25 tons of a special steel alloy that can be used in plants that make enriched uranium for nuclear weapons.

Pakistan has denied involvement with Mr. Pervez. But an administration official said the State Department had determined that there was "an adequate body of evidence and activity that establishes that the government of Pakistan was responsible for these activities."

The United States has shown ambivalence in dealing with Pakistan on the nuclear issue. The Reagan administration, depending on Pakistan as a route for supplies to the Afghan guerrillas, has tried to avoid any actions that would anger the Pakistani government. This explains the State Department's recommendation not to cut off aid.

The department submitted its memorandum to the White House early this week under a 1985 law, sponsored by Representative Stephen J. Solarz, Democrat of New York, that requires a halt in aid to a government involved in such smuggling. But the statute also permits the president to waive the cutoff in the interests of national security.

## Bork Resigns From Federal Bench

WASHINGTON (AP) — Robert H. Bork has resigned as a U.S. appellate court judge, telling President Ronald Reagan he wants to "publicly respond" to the allegations that doomed his nomination to the Supreme Court, the White House announced.

Judge Bork's letter of resignation, dated Jan. 7, was released Thursday. In a letter accepting the 60-year-old jurist's request to leave the U.S. Court of Appeals for the District of Columbia, Mr. Reagan said: "The unprecedented political attack upon you which resulted in the rejection of your nomination to the Supreme Court was a tragedy for our country."

The Senate on Oct. 3 rejected Judge Bork's nomination to the Supreme Court by a 58-42 vote, culminating a tumultuous confirmation process.

## Oslo and Moscow Talks Stalemated

OSLO (Reuters) — Prime Minister Gro Harlem Brundtland of Norway said Thursday that the Soviet Union aimed at resolving a 13-year-old territorial dispute in the Barents Sea had not made progress.

Mrs. Brundtland said after two hours of discussions with Mikhail Ryzhkov, the Soviet prime minister, that Soviet proposals had advanced earlier ones rejected by Norway. Mr. Ryzhkov settled the dispute with Sweden earlier this week.

The Barents Sea, north of Norway, is home waters to the Soviet Union's northern naval fleet and is believed to have rich oil deposits. Brundtland said: "An unresolved question of this importance will hamper the potential for increased cooperation" between Norway and the Soviet Union. "We must make progress on this issue," she said. "It is the most important outstanding question between our countries."

## Moscow Backtracks on U.S. Adviser

MOSCOW (Combined Dispatches) — A Soviet spokesman said Thursday that Moscow had no information about an American military adviser who was reported by Tass to have been killed in Afghanistan.

In a report issued on Dec. 28, the Soviet press agency said that "at least one American adviser" had died in fighting around the Afghan town of Khost. The U.S. State Department denied the report. On Thursday, Gennadi I. Gerasimov, the Foreign Ministry spokesman, said: "We do not have any data about that person. We do not have any information I checked this out."

In another development, Moslem rebels said Thursday that they had killed one of Afghanistan's highest-ranking military officers, General Imamuddin, during a recent three-week Soviet and Afghan government offensive. The offensive was aimed at lifting a guerrilla siege around Khost. The report could not be confirmed. (Reuters, UPI)

## U.S. Weekly Closes Singapore Office

SINGAPORE (Reuters) — U.S. News and World Report, an American weekly magazine, will close its Singapore office at the end of this month as part of an austerity measure, a magazine spokesman said Thursday.

It is the second foreign journal to announce the closure of its Singapore office in the past week. The Economist, a British weekly, said last weekend it would move its bureau in Singapore to Hong Kong because the British colony was "a better listening post for Asia." Both magazines said the closures of their one-man offices in Singapore were not connected with the government's decision last month to restrict the weekly sales of the Far Eastern Economic Review.

The government slashed the Review's sales to 500 copies from 9,000 copies for publishing what it called "distorted and misleading articles" that it said were "calculated to discredit and denigrate the Singapore government."

## TRAVEL UPDATE

### London City-Paris Flights to Resume

LONDON (Reuters) — Return flights to Paris from London's new City Airport, suspended a month ago over fears about insufficient traffic control, will resume Wednesday, the Civil Aviation Authority said. Officials said Thursday that Brynmor Airways and Eurocity Express, the two airlines operating to Paris, had agreed to use an alternative air corridor where full radar cover could be provided.

The agency suspended the Paris route on Dec. 18 after Brynmor complained that there was no proper control over the southeast English coast, where three near-collisions were reported in the first weeks after the airport opened Oct. 26. An inquiry panel was set up to look into the problem.

Flights were normal in Spain on Thursday as pilots for the airline Iberia called off a 24-hour strike after management agreed to discuss complaints about working hours, an airline spokesman said. (Reuters)

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I NEVER DARED DREAM OF SUCH THINGS!  
UH-OH... I'M GETTING A STRONG VIBE FROM MY REGENERATION THEORIST...  
MY SESSION'S ALMOST OVER! I MUST RETURN TO CALIFORNIA, SISTER!  
CALLI-FORNIA? ENY THAT IN IBERIA?  
MATTI WERE THE PINE NURS TO END ALL WARS?  
THERE'S NO PLACE HERE, THERE'S NO PLACE...  
ONE LAST QUESTION, SISTER!  
Special deals being made behind closed doors and curtains are not easy for Europeans to accept, Ambassador Andries van Agt said.

كسوة الجولان

BRIEFS

Both Party... White-against-white... factions disrupting a... army enters a series of... head are seeking greater... now Wednesday night... of the white supremacists... 0 members of the movement...

World Health... Nakajima of Japan, a... World Health Organization... Halfdan Mahler of... agency... session of the... World Health... is third five-year term... Nakajima is considered... organization's Regional... 779. His other posts... division. He would be...

Federal Bench... H. Bork has resigned... Ronald Reagan to... that doomed his nomination... nounced... Jan. 7, was released... Columbia, Mr. Reagan... which resulted in the... country... Bork's nomination to be... tumultuous confirmation...

Talks Stalemate... Gro Harlem Brundtland... Soviet Union aimed at... e. Barents Sea had no... discussions with... that Soviet proposals... way. Mr. Ryzhkov stated... is home waters to... to have rich oil... of this importance... between Norway and... this issue," she said. "It's... our countries."

on U.S. Advice... A Soviet spokesman... nation about an American... have been killed in Afghanistan... press agency said that... denied the report. On the... Ministry spokesman said... We do not have any... rebels said Thursday that... ranking military officers... ck Soviet and Afghan... at lifting a guerrilla... rmed.

Singapore Office... Singapore office at the... sure. A magazine spokesman... announce the closure of the... a British weekly in... Singapore to Hong Kong... ing post for Asia. "Both... ces in Singapore were... month to restrict the... w's sales to 500 copies for... distorted and mischievous... credit and denigrate the...

UPDATE... Lights to Res... gh to Paris from London... ter fears about insufficient... Civil Aviation Authority... an Airways and Embry... ed agreed to use an... be provided... route on Dec. 18 after... control over the southern... e reported in the first... panel was set up to handle... rday as pilots for the... ment agreed to discuss... sman said.



# Sandinists and Foes Warned by Arias

## Both Sides Are Told to Curb Conflict Or Risk Failure of Regional Accord

By William Branigan  
Washington Post Service  
SAN JOSE, Costa Rica — President Oscar Arias Sánchez has warned both the Nicaraguan rebels and the Sandinist government to stop their slide toward an escalation, conflict or risk of a multi-lateral Central American peace accord.

The warnings were in letters sent Tuesday and Wednesday to three leaders of the anti-Sandinist rebels and to President Daniel Ortega Somoza of Nicaragua.

Mr. Arias first told three Nicaraguan rebel leaders living in Costa Rica to give up their armed struggle against the Sandinist government or move out of the country.

Then, in a letter sent to Mr. Ortega, Mr. Arias called for greater "de-escalation" in Nicaragua and condemned the Sandinist government's plans for a military buildup, its failure so far to lift a state of emergency decree and its continued detention of prisoners who, Mr. Arias said, should benefit from reconciliation under the peace plan.

Expressing his "worries about assuming the success of the Central American peace plan" in view of a summit meeting Friday, Mr. Arias noted that cease-fire talks have failed in the region.

The letter to Mr. Ortega appeared to be designed at least partly to balance the letters sent to Alfonso Robalo Callejas, Alfredo Cesar and Pedro Joaquín Chamorro, three of the six directors of the Nicaraguan Resistance, the rebel political alliance.

The letters were delivered three days before Mr. Arias is to be the host at a meeting of five Central American presidents to discuss the fate of a regional peace plan signed in August.

Mr. Arias, who was awarded the 1987 Nobel Peace Prize for drafting and tirelessly promoting the accord, has come under mounting Nicaraguan criticism for allowing the rebel leaders to stay in Costa Rica.

Diplomats said Costa Rica came under sharp criticism from Nicaragua.



CAMPAGNING IN HAITI — Supporters of Leslie Manigat, a candidate in the Jan. 17 presidential elections, hanging up posters Thursday on a street in Port-au-Prince, the capital. An election on Nov. 29 was called off shortly after the polls opened because of widespread violence in which at least 34 people died.

# Bush Amplifies on Role in Iran Affair

By David Hoffman  
Washington Post Service  
FORT DODGE, Iowa — Vice President George Bush has asserted for the first time that, in the presence of others, he voiced reservations about the secret Iran arms sales that went beyond his previously stated concerns about the role of Israel in the covert operation.

Mr. Bush said: "I also had the concerns that I have when any covert action is undertaken — how will it be interpreted if the cover is blown? Will lives be lost? Will our credibility be damaged? Unfortunately, my reservations turned out to be well-founded."

The vice president's comments came in written responses delivered Wednesday to 17 questions posed by Mary McGrory, a Washington Post columnist, in her column Tuesday. Pressed by his rivals for a fuller explanation of his role in the affair, Mr. Bush has been taking a more aggressive tack in responding to questions about it.

Mr. Bush's newly revealed reservations were not mentioned in the reports of the Tower commission or in the report of the congressional committees that investigated the Iran-contra scandal. Under questioning by reporters for months, he has not previously spoken of these reservations.

In his written comments, Mr. Bush, who has been campaigning in Iowa for next month's precinct caucuses, did not say when he voiced the reservations or who heard them. Mr. Bush again vowed Wednesday not to disclose his advice to Mr. Reagan but said the additional reservations were made in a "setting with others present."

Up to now, the only mention of how to deal with the problems of public exposure of the arms sale, for example, came in testimony from the former White House chief of staff, Donald T. Regan. He told the Tower commission that none of President Ronald Reagan's advisers "teased up for him of what the downside risk would be here."

The vice president said for the first time that records show he "probably" was a participant in the critical Jan. 7, 1986, meeting with Mr. Reagan and other senior cabinet officials who raised objections to the arms sales, including Secretary of State George P. Shultz and then-Secretary of Defense Caspar W. Weinberger.

However, Mr. Bush said, "I do not recall any strenuous objection. Had there been any strenuous objection, I am sure I would have remembered it." The vice president said he did not ask Mr. Shultz or Mr. Weinberger for their views.

"Nor do I recall their soliciting my views, again in large part be-

cause the usual NSC process for sharing views had not been invoked," Mr. Bush said. NSC refers to the National Security Council.

The vice president noted that he was absent from several meetings in 1985 on the Iran arms sales, including one on Dec. 7 in the White House residence when "objections were apparently forcefully stated" by others. Mr. Bush was on his way to the Army-Navy football game.

Last week, The Washington Post reported that Mr. Bush had watched the secret Iran arms deals unfold, in part through his attendance at morning national security briefings with the president. Mr. Bush responded by saying the meetings were not detailed, just brief updates on the hostages' plight.

Mr. Bush was asked how he reconciled his stated concern for the Americans held hostage in Lebanon with his claim that the weapons shipments were not part of a trade to free them.

"I have stated over and over again that the original proposal was not presented as an arms-for-hostages swap," he said. He added that "all during the discussions" he was "terribly concerned about getting the hostages out and about the torture of the man that I knew to be a CIA station chief," a reference to William Buckley, the CIA station chief in Beirut, who was tortured and is believed to have been murdered.

# Hart Steals Simon's Iowa Thunder

## Illinois Democrat Suddenly Is No Longer Front-Runner

By Bill Peterson  
Washington Post Service  
FORT DODGE, Iowa — A few weeks ago, Senator Paul Simon was the hottest ticket in the Iowa Democratic presidential campaign.

But during the weeks since Gary Hart's re-entry into the race, the Illinois senator has lost the cachet that goes with being the Iowa front-runner.

"There's no question it has temporarily hurt me in Iowa," Mr. Simon said. "All of a sudden, I moved into the No. 2 position. My instinct is that it is a temporary thing, but it has slowed us down."

Just how much Mr. Simon has slowed is debatable. He remains the candidate to beat in the Feb. 8 Iowa caucuses, despite polls taken immediately after Mr. Hart's re-entry that indicated as much as half Mr. Simon's support had evaporated overnight.

The caucuses are essentially neighborhood meetings in which residents declare their presidential preferences.

A more recent poll made by CBS News and The New York Times showed Mr. Simon leading Mr. Hart and other Democrats in the campaign.

Polling for the Simon campaign this week indicated that the Iowa race has returned to where it stood in late November, when Mr. Simon held a double-digit lead over his two closest rivals in Iowa, Governor Michael S. Dukakis of Massachusetts and Representative Richard A. Gephardt of Missouri.

Meanwhile, Mr. Simon's fortunes are improving dramatically in New Hampshire, which holds the country's first primary a week after the Iowa caucuses. Mr. Dukakis has long been considered the front-runner in New Hampshire because of the state's proximity to neighboring Massachusetts. But Mr. Simon, if he wins in Iowa, could move into a position to emerge as the chief alternative to Mr. Dukakis.

Privately, Simon strategists say they think Mr. Hart is a blessing in disguise.

They argue that Mr. Hart's return to the campaign lowered unrealistically high expectations for Mr. Simon in Iowa and diverted criticism from him.

In the minds of some Simon supporters, a near perfect scenario has Mr. Hart finishing second to Mr. Simon. This would give the candidate a big lift while raising questions about Mr. Dukakis's electability and all but eliminating Mr. Gephardt and Bruce Babbitt, a former Arizona governor, from the race.

But Mr. Simon's advisers acknowledge that Mr. Hart has muddied the race.

"Gary Hart has frozen the political landscape," said Brian Lumde, a Simon campaign manager. "Everyone has basically stayed where they were in late November. Now the question is what happens when it thaws."

As a campaigner, Mr. Simon also seems to have cooled in recent appearances in Iowa. He gave lackluster speeches before large audiences this week in Des Moines and Jefferson.

What polls of the last month seem to be saying is that Mr. Simon has a solid base in the state, but the race remains fluid. In short, Iowa is his to lose.

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# Class of 1991 Wants Money Most of All

By Deirdre Carmody  
New York Times Service  
NEW YORK — A record proportion of more than three-quarters of first-year college students surveyed around the country feel that being financially well off is an "essential" or "very important" goal.

At the same time, the lowest proportion of freshmen in 20 years, only 39 percent, put great emphasis on developing a meaningful philosophy of life.

Also, the number of freshmen saying that a key reason for their decision to attend college was "to make more money" has reached a new high of 71 percent. Business continues to be the preferred career. A record 25 percent of the students named it as their first choice.

"Despite Newsweek's announcement that greed is dead, our data show that it is alive and well," said Alexander W. Astin, the director of the 22d annual survey of entering freshmen.

The survey was conducted by the American Council on Education and by the Higher Education Research Institute at the University of California at Los Angeles. The findings were drawn from questionnaires completed in the fall by 209,627 freshmen at 390 two- and four-year institutions.

The trend of materialism has been on the rise in the survey's results since the early 1970s. The one exception is an increased interest in teaching as a career, a finding that took researchers by surprise.

Last fall, 8.1 percent of the freshmen said they planned to pursue careers as elementary or secondary school teachers, up from 7.3 percent the previous year and well up from the low point of 4.7 percent in 1982.

Other points that emerged from the survey were:

- A sharp decline in interest in computing, engineering, technological and nursing careers. The lack of interest in these fields was expressed by men and women alike.
- An increase in liberal attitudes on many social issues, with two exceptions: a rise in support for laws prohibiting homosexual relations, and a decline in the number who think marijuana should be legalized.
- Despite widespread publicity about AIDS, an increase to a record 52 percent in freshmen who agree that if two people genuinely like each other it is fine for them to have sexual relations, even if they have known each other only a short time.
- A decline in cigarette smoking. Nine percent said they smoked cigarettes, down one percentage point from the year before. Of the women, 10.4 percent smoke, compared with 7.3 percent of men.
- Mr. Astin said the question about the importance of developing a meaningful philosophy of life was introduced in 1967, after students asked that a question about values be included. That year, 83 percent thought that developing a meaningful philosophy of life was an essential or very important goal.
- The percentage has dropped in all but two years since, to a low of 39 percent in the latest survey.
- "Students still tend to see their life being dependent on affluence and are not inclined to be reflective," Mr. Astin said. "Our data confirm the decline in interest in existential questions."

Being well off financially was identified as a key goal by a record 76 percent of freshmen, up from 73 percent the previous year and nearly double the level of 39 percent in 1970.

Top priorities among freshmen include "being an authority in my chosen field," chosen by 77 percent, and "having administrative responsibility for the work of others," selected by 45 percent.

Support among freshmen for laws prohibiting homosexual relations increased to 53 percent, from 52 percent the previous year. Mr. Astin believes that this reflects growing concern about acquired immune deficiency syndrome.

The proportion who identify themselves as conservative was 18 percent. This has changed little over the last five years. Twenty-two percent described themselves as liberal. This proportion has been rising slowly. By far the largest and fastest-growing category is middle of the road. In the latest survey, 56 percent described themselves as such.

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# Herald Tribune

Published With The New York Times and The Washington Post

## Both Sides Are Unwilling

A double-barreled reality leaps out of the Central American peace process: The Reagan administration does not want peace, and the Sandinistas say they do but are unwilling to pay the necessary price for it.

How else can Nicaragua's failure to meet the agreed timetable for democratization be explained? What other explanation is there for administration threats to curtail U.S. aid should the nations of the area not help the Nicaraguan rebels — as required by the Central American peace plan?

It would be easy for either side to demonstrate that the other lacked commitment to peace. Managua could go forward with democratization without the United States ceasing support for the contras. Washington could agree to end contra aid in advance of the Sandinistas' granting further liberties.

It speaks volumes that neither side has been willing to take such chances, even though doing so would spectacularly embarrass the other. The Sandinistas seem intent only on trying to erode U.S. support for the contras. The administration seems bound only to destroy the Sandinistas.

Where does this leave the region's five presidents, about to meet to discuss progress? They can extend the timetable for cease-fires and democratization. Or they can threaten to wash their hands of negotiations and let the region plunge back into all-out warfare. Better to try again. In any event, let it be clear who bears the responsibility.

Such is the state of the peace process and shrewdly put forward by President Oscar Arias Sánchez of Costa Rica. It would have been understandable had the Reagan administration expressed doubts about the plan's viability while wishing it well. But that is not

enough for hard-liners who dominate. They fear giving the plan even an outside chance. So they sent a proconsul to warn dependent Central American states of punishment unless they shun Nicaragua and try persuading Congress to continue aid to the contras.

This was the unmistakable message conveyed by the national security adviser, Lieutenant General Colin Powell, in talks over the weekend with leaders of El Salvador, Honduras, Guatemala and Costa Rica. He warned the four that if the contras are allowed to wither, "there will not be a sudden surge of interest in things Central American or other kinds of aid." Put bluntly, if Nicaragua's neighbors abide by their own peace plan's requirement to halt arms to contras, they cannot expect administration help in getting economic aid or loans.

This proconsular diplomacy is deeply offensive. It is the way Moscow might compel its Warsaw Pact neighbors to toe the line. It is a further example of the banana republic diplomacy practiced by Assistant Secretary of State Elliott Abrams. All this comes at the end of another year in which the administration has pretended to favor a two-track policy on Nicaragua. It has consistently dismissed or forced out every senior official who tried to develop a diplomatic track.

Central America's five presidents are grown-ups who can do without patronizing advice. They know better than any Yankee the economic and social woes of a region bedeviled by civil war. They understand the difficulties of negotiating cease-fires, extending amnesties and calling elections in societies with weak democratic traditions. They deserve U.S. support, not threats.

—THE NEW YORK TIMES.

## In the Spirit of the Games

Forever, it sometimes seems, the Olympics have been an arena not so much for athletic competition as for political vengeance. This year it may be different. Politics has not vanished from the Olympic scene, but for once political considerations are working to good effect: to bring nations in rather than to drive them out, and in that way to make the Games true to their universalist sportsman's ideal. Specifically, the Russians are coming to the Summer Games in South Korea, despite the strong possibility that their ally in North Korea will choose not to. The Chinese, another ally of the North, are also expected to take part.

Confirmation of broad Communist participation in the Seoul Games does more than ensure terrific athletic competition — and terrific television. It increases the chances that the odd-man-out in North Korea will not mess up the Olympics by threats or acts of terrorism. If they do engage in disruption, they will have Moscow and Beijing to answer to. The North Koreans, practiced killers who have only lately begun to abandon a hermit's pose, are obviously shaken to find themselves isolated internationally and conspicuously abandoned by their key patrons. But they have left themselves a sliver of maneuver-

ing room on the twin issues of sending their own athletes to compete and hosting some Olympic events on their territory. Presumably Moscow and Beijing are speaking quietly to Pyongyang about the benefits of going with the world flow.

For South Korea, the latest word from Moscow is welcome support for its grand strategic hope to outflank North Korea, to narrow the Communist regime's options for violence and to compel it to explore an open and peaceful relationship on Seoul's terms. This is a transcendent time in the life of a country that was born as half a nation after World War II, taken quite accidentally under the United States' wing and, a few years later, invaded and devastated by North Korea and saved by its own and American arms.

Living all the while under a deadly security threat from the north, South Korea has since become not a perfect development model but a striking economic success story. Though its political travails may not be over, it can be said to have taken some long and difficult steps along a democratic path. The award of the Summer Olympics to Seoul was received everywhere as international recognition of South Korea's national ascent. It is working to deserve the honor in full.

—THE WASHINGTON POST.

## The Figures Are Flawed

Financial markets are braced for Friday's report on the November foreign trade deficit — and it is sure to be misleading, once again. Whatever it shows, the dollar figure will be wrong. The Reagan administration's failure to make the trade figures more accurate is irresponsible.

Four weeks ago, the startling announcement that the October deficit soared to a record \$17.6 billion sent the stock market down, interest rates up and the dollar to its lowest level in 40 years. The deficit did grow in October, but how much and how significantly are unclear even now.

Actually, despite the gross numbers, the physical volume of imports has been slowed; price tags — and thus dollar volume — remain high because the value of the dollar has dropped so much. Also, exports are rising impressively. All this gets lost, however, in the monthly ritual.

One basic flaw in the monthly report is the lack of seasonal adjustment. The Commerce Department stopped adjusting when it became clear that its adjustments were unreliable. With valid adjustment, the October report would have discounted the pre-Christmas increase in imports. A second problem is the erratic nature of trade, especially in oil. Oil imports rise abruptly with

price cuts and drop when prices jump. There was also an unpredictable bulge in Japanese automobile imports last fall, to fill 1987 import quotas before year-end.

Bad as they are, the monthly reports are better than they were, and the experts are working on improvements. Computers and more careful tabulation have improved accuracy. But problems remain: Statistics for imports are more accurate than for exports, because importers must declare for customs clearance. Checking other countries' customs data could yield a better fix on exports. And there is the irrational law that requires two monthly reports, 48 hours apart; the first, which makes the headlines, inflates imports by counting insurance and freight costs.

Combined figures for the most recent three months are more indicative than one month's report. But the best measurements — with seasonal adjustment — come only four times a year, two months after each calendar quarter. That is too long a wait for planners who need good data.

Decidedly, the trade deficit is not a sign of economic strength, as President Reagan proclaimed the other day. But just how much weakness the deficit reflects cannot be understood until the data are improved.

—THE NEW YORK TIMES.

## Other Comment

### A Policy of Concessions

The arrangement agreed to in Stockholm this week by the Soviet Union and Sweden, in their 19-year-old dispute over Baltic Sea delimitation, provides further evidence of what appears to be an important characteristic of Soviet foreign policy under Mikhail Gorbachev: The Soviet Union is prepared to make significant concessions in order to clear the decks of irritating disputes that have either been impairing Moscow's relations with its neighbors or sully its reputation in the international community.

The desire for better relations — or, more precisely, reduced tensions — lay behind the Kremlin's decision last year to end a long-standing border dispute with China. The Soviet Union accepted Beijing's demand that

the border run down the middle of the Amur and Ussuri rivers and not, as the Russians had previously insisted, along the Chinese bank. With Mr. Gorbachev once again raising the prospect of a Soviet-Chinese summit meeting, it is not hard to detect Moscow's hand behind Vietnam's announcement this week that it may start withdrawing its troops from Cambodia by the end of this year.

The pattern that is emerging reinforces the view that Mr. Gorbachev seems to be prepared to subordinate foreign priorities to domestic ones in order to place the economy of the Soviet Union on a more stable keel. As he has observed, his country will not be able to enter the 21st century as a great power unless the internal decay of the last 10 years can be reversed.

—The Independent (London).

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## Bush, Dole: Conviction Is the Issue

By David S. Broder

WASHINGTON — There is an important issue behind the challenge to Vice President George Bush to disclose his advice to President Reagan on the Iran arms sales. But it is a dangerous issue for Senator Bob Dole to raise.

The real issue for both men is whether they have the courage of their convictions. It is an issue for them as the battle for the Republican presidential nomination approaches its first tests next month in Iowa, because Mr. Reagan has established a model, at least in the minds of Republican voters, of a president who acts on his beliefs. Arms to the ayatollah notwithstanding, Mr. Reagan is seen by many voters as a man who has stood up for what he believes.

In the contest for his inheritance, it is the trailing candidates who most clearly display this attractive trait. Pierre du Pont and Jack Kemp, though far back in the polls, better reflect Mr. Reagan's readiness to adopt "radical" policy alternatives and sell them to the public. Along with Alexander Haig, they have not hesitated to say plainly where they disagree with existing policies. And Pat Robertson has displayed his mastery of Mr. Reagan's patented technique for turning away angry criticism with ready smiles.

These four men have been unable to exploit their "conviction politics" because of other doubts about their leadership capacity. Their credentials as a former governor of Delaware (Mr. du Pont), a member of the House of Representatives (Mr. Kemp), Richard Nixon's last chief of staff (Mr. Haig) and a former television preacher (Mr. Robertson) do not get them over the threshold of presidential credibility in their first try for the office.

Mr. Bush and Mr. Dole have hesitated to say plainly where they stand for president, and they hold responsible positions as vice president and Senate Republican leader. Each is now trying to win by suggesting that the other lacks leadership ability.

Those doubts are inherent in Mr. Bush's career, raising questions about his beliefs in critical situations. He has been unsuccessful in gaining the elective offices he sought, failing twice for the Senate



and once for the presidential nomination. But he has risen to higher and higher appointive posts by flattery and serving men in power.

Such a career breeds caution, and Mr. Bush, from available evidence, was notably reticent when crucial decisions were being made on arms sales to Iran. The unfolding record shows he was present, and apparently largely silent, at meetings where Secretary of State George Shultz and Secretary of Defense Caspar Weinberger expressed their strong opposition to the president's policy.

Mr. Bush has not put the suspicion about his deference and critical judgment to rest. But he has cleverly demonstrated an almost aggressive readiness to challenge his critics on the issue.

Mr. Dole has yet to demonstrate such a clear instinct of how to handle his "conviction" problem. It, too, is rooted in his career. For 27 years he has been in Congress, for all but six years in the minority. He has mastered the art of the half loaf, of trading advantageously with those who hold high cards, for whatever he could extract in policy or political

## OPINION

## Out of Afghanistan: Russia's Biggest Test

By Max Jakobson

HELSINKI — The optimistic statements emanating from Moscow on the prospects of an early withdrawal of Soviet forces from Afghanistan have an obvious tactical purpose. By appearing eager for an early settlement and seeming confident of success, the Kremlin is trying to persuade public opinion that any failure in the upcoming round of UN-sponsored talks will have been caused by foot-dragging on the other side.

Nevertheless, we must assume that the Soviet leaders genuinely want a settlement. The crucial question is what consequences a withdrawal of Soviet forces might have, not only in Afghanistan but throughout the Soviet sphere of influence. The fundamental concept of security that has governed Russian foreign policy for centuries is at stake.

In trying to persuade Moscow to accept a nonaligned, non-Communist Afghanistan, the West points to the examples of Finland and Austria — two Western democracies that pursue a policy of neutrality designed to reassure the Soviet Union. Both have been recognized by Soviet leaders as "good neighbors"; neither poses any threat to Soviet security. By analogy, it is argued, a similar arrangement in Afghanistan should satisfy any legitimate Soviet interests.

If the argument sounds familiar, it is because it is Yalta Revisited. At the end of World War II the West agreed that the Soviet Union was entitled to make sure that neighboring countries would be run by "friendly governments" — in the sense that they would respect Soviet security — but that these governments must be freely elected by their peoples. This formula is now being offered as a basis for a settlement in Afghanistan.

Of course, the agreement reached in Yalta, as the Western allies understood it, was never carried out. Stalin exerted total political control of the countries his army had occupied.

The only country in which the proposed marriage between Soviet security interests and Western democracy was happily consummated was Finland, where "free and unfettered elections," as prescribed at Yalta, were held in April 1945, within a month of the Big Three conference: the first free elections in war-torn Europe.

The reason this was possible in Finland was not that it had been so decreed in Yalta. Finland was barely mentioned there. The reason Western democracy survived in Finland was

that the Finns had emerged from the war with their political system intact, with no army of occupation on their soil. The policy of neutrality was developed by the Finns themselves. The idea of "Finlandizing" Afghanistan is based on a misunderstanding of what happened in Finland.

The Austrian case has more relevance: The Soviet Union agreed to withdraw its forces of occupation in return for an Austrian pledge of permanent neutrality. But there is an important difference between Austria in 1955 and Afghanistan today — the absence of an ideological element in the Austrian settlement. The occupation had failed to put Communists into power anywhere in Austria. The Soviet withdrawal could be carried out without exposing a local Communist regime to possible destruction. It was not an ideological retreat.

Lessons from the history of Europe seldom apply to conditions in other parts of the world. Afghanistan today is a nation torn not only by years of fighting between the Soviet-backed

**The decisive battle is likely to be fought within Kremlin walls.**

Communist regime and the mujahidin guerrillas, but by ancient tribal feuds. A negotiated settlement acceptable to all interested parties both inside and outside of Afghanistan — one that could survive the departure of the Soviet forces — would be a feat with no precedent in international relations since World War II.

The consequences of the American withdrawal from Vietnam must haunt the Soviet negotiators. The moment the American forces had left, the settlement negotiated by Washington and Hanoi fell apart. For the United States, the collapse of its Vietnamese ally was a humiliating loss of prestige. But that is a wound that time can heal. For the Soviet Union, a similar debacle in Afghanistan would lead to something far worse: the emergence of a new enemy on its doorstep. To risk such an outcome goes against the grain of the deeply rooted Russian obsession with security in the borderlands.

In his newly published memoirs "Menschen und Mächte" ("Men and Powers") Helmut Schmidt illustrates this obsession by quoting a 19th-century Russian statesman who said at the time of the Crimean War that "Russia can feel completely secure only when Russian soldiers stand on both sides of her border." This concept of security has often merged with another traditional "need" in Russian policy: empire-building in Asia. Its spirit was expressed in the famous remark by Czar Nicholas I: "Where the Russian flag has once been hoisted it must never be lowered."

In the traditional view, the Soviet withdrawal from Austria can be presented as a blunder by Nikita Khrushchev and a warning against concessions in Afghanistan. It fit the fuse that caused the explosion in Hungary a few months later. Similarly, it may be argued, a withdrawal from Afghanistan could lead not only to the destruction of Moscow's allies in Afghanistan but to the unraveling of the Soviet security system in Europe.

Yet the traditional Russian concept of security is beginning to yield diminishing returns. This has been recognized, at least implicitly, by General Secretary Mikhail Gorbachev. He has presented himself as a proponent of the concept of "common security" — that is, security assured by political rather than military means. His declared aim is to establish "stable and predictable" relations with other countries. This goal cannot be achieved so long as the Afghanistan intervention continues to undermine his credibility.

The decisive battle of the Afghanistan war is likely to be fought within Kremlin walls, not between tired old hawks and doves but between modernizers and traditionalists. President John F. Kennedy once said that the line dividing domestic and foreign affairs had become "as indistinct as a line drawn in water." The foreign policy of the Soviet Union cannot be divorced from domestic reform.

In the longer run, Moscow cannot continue to conduct a Stalinist foreign policy while dismantling Stalinism at home. In this sense, Afghanistan may turn out to be a crucial test of Mr. Gorbachev's ability to carry out his grand design.

Mr. Jakobson is a former Finnish ambassador to the United Nations. He contributed this comment to the International Herald Tribune.

## Bad News on Deterrence for Those in the Line of Fire

By William Pfaff

LONDON — Disagreement between the United States and the European allies on nuclear policy is deepening, and its cause is widely understood in the United States. This week, in Washington, a blue-ribbon commission on the problems of deterrence recommended to President Ronald Reagan that the American nuclear arsenal be restructured to make it more "usable." Nothing could be worse news to those allies who live in places where these weapons seem most likely actually to be used.

The report was prepared by eminent people under the chairmanship of Fred C. Ikle and Albert Wohlstetter, two patriarchs of American nuclear doctrine. It deals with many matters, but among its recommendations is that the United States concentrate on small, accurately deliverable weapons, both to deter the Soviet Union and because these weapons are, so the report claims, "politically usable." The report criticizes today's reliance on heavy, long-range ballistic nuclear missiles.

Yet last month the United States signed an agreement with the Soviet Union to destroy a whole class of medium-range missiles deployed in Europe. Mr. Reagan and Mikhail Gorbachev promised to go still further when they met again in Moscow this year. Mr. Reagan presses on with his Strategic Defense Initiative, which he insists will lead the world to total nuclear disarmament.

On Europe's side of the Atlantic, people ask: What is going on here? Is the policy of the United States arms limitation or nuclear war fighting? Is SDI a program of defense or an element in an advanced nuclear war fighting program? The latter is the way the Ikle-Wohlstetter report treats it, saying that SDI must be "paired" with new long-

range offensive missiles. Mr. Reagan has said that SDI should do away with long-range missiles. Mr. Reagan believes what he believes, and others believe what they believe, and all go on despite one another in today's Washington. The Ikle-Wohlstetter report is an attempt to clarify policy confusion, but it is unlikely to succeed even when Mr. Reagan is gone, because Washington's contradictions reflect the confusion of American public opinion and of Washington's political class.

In Europe, the people who make decisions do know what they want. They think nuclear weapons are fine. They like them the way they are. They like politically unusable nuclear weapons. Those, they say, are the best kind.

They think that large and politically unusable nuclear weapons have kept the peace for 40 years, cooled Russian tempers and contained Soviet ambitions, kept the United States from even worse troubles than it managed to get into with conventional weapons in Vietnam, and made Europe secure. They like nuclear weapons as insurance against a Soviet threat that they do not consider urgent enough to justify the money conventional deterrence would cost.

They went along with the recent treaty in order to accommodate President Reagan, but they do not like it. Their objection is not the one stressed in the U.S. debate, that the loss of medium-range missiles removes a link in NATO's "flexible response." The Europeans prefer inflexible responses, considering them more convincing. They dis-

liked the arms agreement because it implied Europe's eventual denuclearization, which they see as opening the door to conventional war — plausible war — and to the forms of political intimidation attached to plausible threats of war.

Western Europe and the United States, on these matters, are headed with mounting speed in opposite directions. The United States wants disarmament and/or strategic invulnerability on the one hand, and nuclear war fighting forces on the other. The West Europeans think that disarmament/invulnerability is unattainable, and that fighting weapons weaken deterrence by restoring plausibility to the use of nuclear weapons.

As the disagreement is likely to continue, and the United States unlikely to change, the Europeans would seem to have two possibilities for the long term. One is to enhance their already substantial nuclear deterrent forces, creating their own version of a policy of mutual assured destruction, with West Germany involved in some as yet undefined way. Or else they could look for security, or whatever they are willing to accept as security, in political agreements with Moscow, or in concessions. Some countries may do one thing, some the other.

Neither choice is attractive. But unless the Soviet Union undergoes profound change in the next few years (which is not impossible), this would seem to be the prospect. People on both sides of the Atlantic increasingly see both the threat and the means of their security in different ways. That implies that each eventually must assume the responsibilities that accompany an independent view of things.

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## More Aid for the Contras, More Pain for the People

By Daniel Ortega Saavedra

The writer is president of Nicaragua.

MANAGUA — The government and people of Nicaragua want peace. There have already been more than 50,000 Nicaraguan casualties in the war financed by the United States. This includes 25,527 dead, the majority of whom are women, children and poor farmers. For a small country with 3.5 million people, this is a staggering figure. The harm to our economy exceeds \$3.5 billion. More United States aid to the contras can only mean more war, more death and destruction — more totally unnecessary and unjustifiable suffering.

During my trip to Washington in November, I discovered that many people were confused or misinformed about the nature and objectives of the Nicaraguan revolution. Let me make yet another effort to help the public, the administration and Congress clearly understand what we stand for. Nicaragua wants a fully democratic political system. One tenet of our revolution is political pluralism, which entails freedom of the press and no restrictions on opposition political activities. Under our revolution, in 1984 the first pluralistic and free elections in Nicaragua's history were held. We will continue to guarantee and increase free and open political debate in the hope that in the next elections even the contras will participate — provided they have become part of the legal civilian opposition by laying down their arms.

The Sandinista party will respect the results of such elections. We are confident we have the support of the majority of Nicaraguans. But if the opposition wins, we will turn over the government to them, with all the powers our constitution specifies. We are prepared to become the loyal opposition if that is what the people decide. As for defense matters, it requires

no military expertise to understand that as long as the contra war continues, along with the threat of a Grenada-style invasion, Nicaragua must maintain an army larger than needed in peacetime, and, more important, a sizable militia. We have never tried to hide this.

and women, trained to defend themselves and their land against foreign aggression. The people demand these arms to defend themselves. He also said we hoped to acquire interceptor aircraft to protect our airspace from hostile planes, such as those that supply weapons and ammunition to the contras with impunity every day.

What apparently caused concern in the Miranda-State Department declaration was the allegation that Nicaragua intended to build up its army and acquire Soviet jets even after relations with the United States are normalized. This is false. If we receive sufficient security guarantees from Washington, we will not maintain a large army or obtain unnecessary armaments. Indeed, the Defense Ministry's draft proposal stated by Mr. Miranda and made public calls for a reduction in the size of our army over the next seven years.

If, through direct talks, Nicaragua receives sufficient security guarantees from the United States, we are prepared, in the context of regional agreements, to take four steps. We would:

- Establish limits on our army and on armaments, with a mutual ban on all offensive weapons.
- Dispense with any foreign military advisers and prohibit the stationing of foreign troops in the region.
- Prohibit the establishment of foreign military bases on our soil.
- Actively prevent the use of our territory to threaten or subvert any country in the region, as has already been agreed to by the five Central American presidents in Guatemala.

The Reagan administration has demonstrated a total lack of respon-

siveness to Nicaragua's repeated initiatives for a peaceful, negotiated resolution of our differences. There is no need to "pressure" Nicaragua to move toward peace. The administration itself could benefit from pressure. Further aid to the contras only stiffens its resolve not to negotiate with Nicaragua.

On the other hand, ending aid to the contras would compel the administration to respect the Guatemala accords and to seek in earnest a negotiated solution with Nicaragua. Such a solution is imminently obtainable.

The New York Times.



BY NARANJO IN EL UNIVERSAL (MEXICO CITY). C&W SYNDICATE.

## 100, 75 AND 50 YEARS AGO

### 1888: Untimely Soaked

BERLIN — German theatre-goers are safe from fire, but not water. At Bonn recently the audience, in the middle of an opera, was drenched owing to an error of the man who controlled the emergency fire sprinklers. The unlucky singers at Münster were in the same way drenched during a rehearsal. In this case the flood was so sudden and so deep that Frau Joachim and the singers were forced to stand upon chairs until rescued. There have been nearly a dozen such unexpected floods in Germany.

### 1913: British Enter Tibet

PEKING — Urgent telegrams have been received here announcing the entrance of British troops in Tibet, and reporting that the Dalai Lama has authorized four delegates to negotiate a treaty with the object of obtaining British protection in return for special advantages. China is [seeking] a declaration of the inten-

### 1938: Bible May Er

LONDON — Fifteen years after they started their discussions of doctrine in the Church of England, twenty leaders of Britain's state religion today [Jan. 14] produced a 242-page report of their deliberations, which denied that the Bible was free from error, doubted the conclusiveness of evidence of the virgin birth, and indicated official church belief that the creation, as told in Genesis, has a value "symbolical rather than historical." The report holds that the Bible is "the Word of God" but that all its parts are not spiritually on the same level, and its authority cannot preclude future judgments of critical and scientific investigation.

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TRAVEL

THE FREQUENT TRAVELER

'Maxing Out' on Jargon: A Guide to What It Means

by Roger Collis

WHEN it comes to jargon, the world of travel can more than hold its own in the blitz of neologisms, euphemisms and acronyms from the big league players in business and bureaucracy. According to Stanley Zlich, director of semantics at Blue Skies Research Institute in Broken Springs, Colorado, "Travelspeak is now recognized as a legitimate force in bizspeak. Along with computerspeak it has become a seminal influence among jargon junkies everywhere."

An Architect's Dream in San Francisco

by Paul Goldberger

JOHN PORTMAN is perhaps the best-known hotel architect in the world. His Hyatt Regency in Atlanta, completed in 1967, was the first postwar hotel with a central atrium, and it changed the nature of hotels everywhere, replacing the banal boxes of the Hiltons and Sheratons with the Portman trademarks of vast atrium spaces, fountains and glass-enclosed elevators.

of arches is the most disappointing part of the design — Portman was trying to evolve out of these arches piled upon arches a kind of contemporary classicism, but the result, unfortunately, manages to look both fussy and clunky at the same time. Given that most people spend a lot more time in their hotel rooms than out on the sidewalk contemplating the facade, however, the fact that the rooms are more graceful than the overall architecture is a better state of affairs than if it were the other way around.

not returned by his replacement on the morning shift, and until they were found 20 minutes after my phone call, I contemplated whether I would rather be late for a meeting or head for the financial district in my socks. But many other requests were handled graciously and rapidly. The valets who served the floor were courteous and unobtrusive, respectful of guests' privacy and yet quick to respond whenever one pushed the call button in the room. The valets keep out of sight unless called.



The atrium's sculpture is "Joie de Dance" by Elbert Weinberg.

part formal lush decorum and one part bombast. Its halves do not quite connect to make a coherent work of architecture — for all that genuine, and sometimes spectacular, pleasure that staying at the Portman can entail.

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Kilimanjaro Continued from page 7



Climbers take a rest on their way up Mount Kilimanjaro.

we could see no other humans. The guides, respecting our privacy, kept well behind us, periodically catching up to make sure we were all right. The porters pushed on ahead so they could have fires and hot tea ready when we arrived at Kibo.

HOLIDAYS & TRAVEL CLUBS YOUR LONDON ADDRESS. Includes details about The Sloane Club, location, and contact information.

SHOULD we attempt the final ascent? It was scheduled to begin at 1 A.M. under moonlight. By thus starting in darkness, one could see the sunrise from Gilman's Point and have time not only to go on to Uhuru Peak but to get back to Horombo hut by nightfall.

Souren Melikian IN THE IHT EVERY SATURDAY WITH AUTHORITATIVE WRITING ON THE WORLD OF ART AND ART AUCTIONS. Includes contact information for art auctions.



TRAVEL

Shatin: Hong Kong's Urban Showcase

by Fred Ferretti

SHATIN, Hong Kong — Ten years ago Shatin was a quiet patch of farmland in Hong Kong's New Territories...

Today it is the most energetic of Hong Kong's so-called new towns, a city of more than 300,000 people that is expected to grow to 500,000 within a decade.

Shatin is a place of parks, urban plazas, cinemas and branches of Japanese department stores, a weekend getaway for the people of Kowloon — 10 minutes away by train — and a growing tourist destination.

Perhaps more significant, however, is that Shatin provides what is possibly a view of the Hong Kong of the future, because it sits in the New Territories, the 350 square miles of land between Hong Kong proper and the border of China that are the subject of immediate concern in negotiations on ending the British lease on the colony.

Just beyond the Lion Rock Tunnel, which now cuts through the hills around Shatin, across a small valley from a mountain the people of Shatin call Amah Rock — they say it resembles a nursemaid carrying a child on her back — lies Tsang Tai Uk, a preserved walled village.

They may also discover the Palm Beach Sauna and a huge swimming pool that form part of the huge recreational center built for the residents of Shatin Inter-City.

The earliest settlements in the area date to the Ming Dynasty (1368-1644), when it was reported that a village called Tai Wai had been founded four centuries earlier.

Shatin houses the Che Kung Temple, named for a general of the Sung Dynasty (960-1279). The temple, which is close to Shatin's main railroad station, is of stucco-covered stone, dark and exceedingly quiet.

Also near the station — 431 steps up from it — is the Temple of Ten Thousand Buddhas, where, if you care to count them, 12,800 small Buddhas of carved wood and sculptured clay, some painted bright scarlet, are set into its walls.

THOUGH it has developed far more quickly than others, Shatin is typical of the new settlements that have sprung up in the New Territories, towns that have grown simply because Kowloon and Hong Kong Island, the core of the colony, cannot hold an ever-expanding population now well above five million.

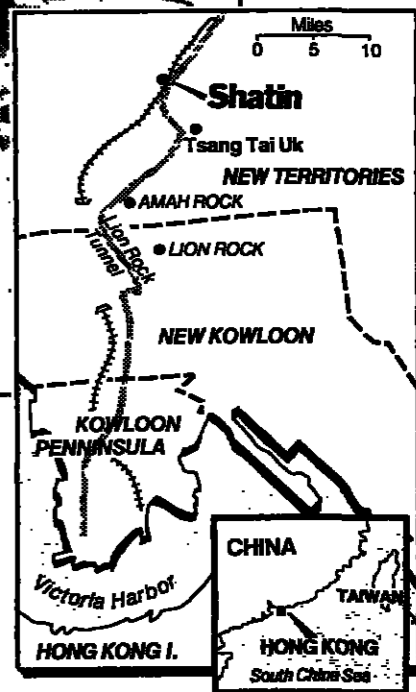
Some tour operators, particularly those in Australia, are booking groups into Shatin's new Hotel Riverside Plaza, where there are swimming pools, a health center, several restaurants and a discotheque.

They may also discover the Palm Beach Sauna and a huge swimming pool that form part of the huge recreational center built for the residents of Shatin Inter-City.

The cyanoere of New Town Plaza is its fountain. Each afternoon, just before 12:45, hundreds of people, many elderly and children among them, pull up folding chairs and



Near the train station.



The New York Times

encircle the fountain, which sits in a multi-story atrium in the middle of a shopping mall. At 12:45 the music begins, occasionally Western symphonic, though more often classical Chinese, and the waters begin to dance.

The most recent manifestation of Shatin's explosive growth is the Hotel Riverside Plaza, not yet two years old. On its 17 floors are 830 rooms and suites, some facing the Shing Mun River, others the hills and temples of the town.

It is a place from which to contemplate Shatin. One evening my wife and I took the train to Shatin, walked to the Riverside Plaza, had dinner in the Botania and a late drink

near the pool deck. I recall looking at the hills, many of them now covered with lights, and wondering about 1997.

Fred Ferretti is a travel and food writer who lives in Montclair, New Jersey. He wrote this for The New York Times.

A Restaurant Family: Bistro, Post-Nouvelle

PARIS — What can diners in France look forward to in 1988? A single family of Parisian restaurateurs gives a concise response, conveying a sense of current dining trends in their two restaurants set pretty well between bistro and post-nouvelle cuisine and style offering a bit of what's cooking for today.

The Faucher family story is an unusual one. Some years ago Gérard Faucher announced to his father, Raymond, that the family meat business would not be a father-son affair. Gérard was going to become a chef.

PATRICIA WELLS

"My son wouldn't follow me, so I followed him," laughed Raymond, who four years ago traded his butcher's apron for a chef's toque, and took over Le Caméléon, a funky neighborhood bistro in Montparnasse. As a meat wholesaler, the senior Faucher had supplied meat to Le Caméléon's previous owner. "I was supplier, client, friend, and finally successor," he notes.

Le Caméléon is one of my favorite recent finds. Although the menu includes the litany of standard bistro fare — salade frisée, steak frites aux pommes — it also offers many imaginative and surprising specialties. The food sort of sparkles with freshness, and there's a wealth of salads. There is a warm terrine de queue de boeuf, a giant mound of perfectly moist, well-seasoned shredded oxtail, as well as mixed salads topped with jardons and a poached egg, or with meltingly tender duck pizzardi, or gently grilled croûtes of goat cheese.

My favorite main course here is the morue à la provençale, a warm blend of salt cod and tomatoes, served with aioli, a super-garlicky mayonnaise, and tender, boiled potatoes. And don't leave without trying the classic tendrons de veau, a superb well stew served with fresh pasta, or the fine apple tart, with a good, flaky crust and a sprinkling of sugar on top.

The limited wine list includes some good buys, including Alphonse Mellot's Sancerre, Jean-Marie Penet's gamay de Tournaine, and a good Saumur-Champigny. Most of the wines are priced at less than 100 francs.

The crowd at Le Caméléon is distinctively democratic: mailmen and bank presidents, gray-haired matrons and blue-jeaned students sit convivially side by side.

No one comes here for the decor: The floral wallpaper could give you a headache, and the dining room appears to be outfitted with castoffs from grandma's attic. But Jacqueline Faucher is a warm, gentle hostess, and the menu is not a carbon copy of so many others, but offers some new, well-conceived specialties.

Entering this restaurant is a bit like leaving Paris while staying within its boundaries. Pretty china and fresh flowers are mingled with antique prints, rustic armoires and Oriental rugs. The personal touch is everywhere, including the handkerchief-sized kitchen, where Gérard continues to turn out modern, imaginative, light French fare.

His ministrations, on a recent visit, was a vibrantly flavored blend of scallops and oysters, a soup that offered a beautiful marriage of ocean flavors mixed with a touch of pasta and Raymond seems to have the kitchen under control. This is a place to return to time and again.

As the senior Fauchers went about their career changes, Gérard and his wife, Nicole, continued to improve and embellish Gérard et Nicole, the restaurant in country-auberge style they began in the mid-1970s, when nouvelle cuisine was at its peak.

When people ask "Whatever happened to nouvelle cuisine?" I send them to places like this. Gérard Faucher's cuisine is a textbook example of how the best of nouvelle cuisine is evolving. His food is pretty but not fussy. Portions are substantial but not overwhelming.

The crowd at Le Caméléon is distinctively democratic: mailmen and bank presidents.

and tiny cubed vegetables in a heavenly broth.

Equally appealing were the tournedos de lotte bardés de jambon fumé, chunks of monkfish wrapped in paper-thin slices of delicately smoked ham and served with a healthy portion of fresh green fava beans. Monkfish and bacon are a classic combination, but it's a dish that rarely comes off well for the smokiness and saltiness of the bacon tends to overwhelm the firm but delicately flavored monkfish. Here, the lightly-flavored ham serves as a perfect companion.

Other good bets include the filet de barbe à la moutarde ancienne, brill bathed in whole-grain mustard sauce, and the ravioli de chèvre — ravioli filled with goat cheese. The dish may not have a very polished look, but it rewards the palate with fine flavors and textures.

I'm less enthusiastic about the pastries — a trio of amateurish fruit tarts and an overbearing licorice ice cream — but this remains a spot to recommend for a quiet, romantic dinner in the city.

Le Caméléon, 6 Rue de Chevreuse, Paris 6; tel: 43.20.63.43. Closed Sunday and Monday. No credit cards. About 150 francs a person, including wine and service.

Gérard et Nicole, 6 Avenue Jean Moulin, Paris 14; tel: 45.42.39.56. Closed Saturday and Sunday. Credit card: Visa. A menu degustation at 320 francs; à la carte, about 400 francs, including wine and service.

Is '87 Wine Good or Bad? — Yes

by Frank J. Priol

THERE is a tale about a brash fellow who stopped J.P. Morgan as he left his club and asked, "Will the market go up or down?" To which J.P. Morgan said he replied, "Yes."

Talking about wine vintages before the wine is bottled is somewhat the same. There are a few factors: acid levels, sugar content, size of the crop, that sort of thing. And there is experience: In the past when the same conditions prevailed, the wine turned out this way.

All of this adds up to some good educated guesses, but no more. That brings us to 1987. Among a winegrower's most valuable tools after the harvest are his selection of qualifying sentences and phrases. "Severe selection" was a key one this year. "Skill of the wine maker" was popular, so were "quality is irregular," "some very good wines" and "not too acidic." My favorite was "not uniformly spectacular."

The fact is that the growing season across much of Europe got a late start; the summer was average at best in terms of sun, and the harvest time was often a period of drenching rain, fog and chilly weather. It was an unimpressive scenario for the production of outstanding wine.

However, in the perverse way of the wine market, 1987 was pretty much just what the doctor ordered, at least the banker — ordered. Stocks, thanks to a succession of large vineyard and relentless price increases, were dangerously high, particularly in Bordeaux. The 1987 wines, assuming that there is no

make 10 vats and be hard pressed to find 3 or 4 worthy of his label.

Only the wealthiest growers — or those with the least debt — can afford this kind of selectivity. As for the consumer, seeking out the decent wines in a year like 1987 becomes correspondingly difficult.

Burgundy, too, was beset by rain and its concomitants: rot and unripe grapes. Production in some famous vineyards reportedly was off 50 percent from 1986. Little hope then, that 1987 will help to amortize the high prices that good Burgundies have reached in recent years, particularly 1985 for reds and '86 for whites.

For Americans, the antidote to high French prices has been California. The 1987 vintage in that state was one of high quality but lower volume than in any year since 1983. But California's problem — with the exception of a handful of premium wineries — has been finding customers, not wine.

There are still dozens of good inexpensive wines coming from California, even if a short 1987 crop allows some big midlevel wineries to work off inventory.

One pleasant bit of news: a good harvest in Oregon. That state's wine makers, even though their production is minuscule compared to California's, are getting closer and closer to producing world-class pinot noir. Each good season in the Willamette Valley brings them closer to offering true competition to the Burgundians.

Washington state also had a good year, a mixed blessing in that corner of the Northwest. Production in Washington has outstripped demand. In the more or less flat American market, the Washingtonians don't know what to do with all their wine. In 1987, they produced a record six million gallons, up from 4.5 million in 1986.

Back in Europe, the Champagne growers had a big crop in spite of the mediocre weather. It probably won't be a vintage year, something the growers decide more or less among themselves. But the volume will be welcomed; the demand for Champagne continues to rise around the world.

BEAUJOLAIS seems to have turned out extremely well. We heard that the amount of the new wine arrived in November. And, for *nouveau*, the wine was good. But so much nonsense accompanies those wines that it is almost mandatory to wait for the mature Beaujolais in late January and early February.

From every indication, the 1987 Beaujolais is not only the best in a number of years, but is perhaps even better than the lovely '83s, and may be the most successful wine out of France this year.

Alsace growers say they did better than they had hoped, which is rather equivocal praise. But at least one well-known producer, Jean Hugel, said the quality was as good as last year. In 1986, Alsace had a good to very good year.

Italy fared poorly in the north, and well to very well in the south and in Sicily. Spain had a good year in the Rioja and an excellent year in the Panadés. That should bring joy to the heart of lovers of Spanish sparkling wines, who must number in the millions, considering the enormous quantity of the wines produced in the Panadés region every year.

Mexico Continued from page 7

Here, an immense pot may be bubbling over a wood fire as scarlet, indigo and saffron dyes hang drying on the overhead lines.

Isaac Vázquez, who is a master weaver and dyer, uses the formulas of his ancestors to make natural dyes from plants. In the showroom of his home, at 44 Avenida Juárez, he has set up a display with an array of flowers, roots and bark next to samples of dyes. There is a container filled with tiny gray cochineal insects, which produce a bright scarlet dye when boiled. This insect, known to the Zapotec been cultivated for dyeing by the Zapotec Indians before the 13th century, created a fad in Spain when it was brought back by the conquistadors. Lately, cochineal insects have become so scarce that they have to be imported from Brazil. Although many local weavers will tell you that they use natural dyes, most have resorted to packaged synthetic products that are easier to prepare.

WHEN it comes to weaving, the few who are considered masters stick to the slow, time-honored methods, using nothing to supply an increasing demand. The prices are higher, the quality impeccable. When Vázquez, 52, began to weave at the age of 12, there was one loom in his house; today there are a dozen. His large impression of a Mayan design, the "Birth of Twins," is a depiction of the creation story, surrounded by large jaguar motifs. It

took him about a year to make, and costs about \$1,500.

Of seven massive wooden looms at the Mendoza home, at 2 Carranza, one is usually occupied by Emiliano Mendoza, the patriarch; others by his brother, Tomás, his sister, Abigail, or his son, Arnulfo. Standing at the looms from 6 A.M. to 2 P.M., with only a lunch break, these skilled weavers often work two to three months on a 9-by-12-foot rug.

Mendoza's geometric designs incorporate Zapotec diamond, arrowhead and key motifs. In contrast, his son, Arnulfo, who studied art in Paris, has developed more personal, surreal themes. One called the "Squirrel's Dream" shows a giant armadillo with a checkerboard shell. Another depicts local trance-inducing mushrooms. A huge rug, woven by several family members, enlarges a scene from the pre-Hispanic Codice Borgia: the story of the flight of the Morning Star as the Sun God leaves the world to move upward. The price of a Mendoza rug depends on the amount of time and work involved. Prices range from a 3-by-5-foot rug at \$60 to large ones for more than \$1,000. His son Arnulfo's tapestries are also sold in a gallery at 203 Alcalá in Oaxaca; these are priced at \$2,000 and up.

Betty Freudenheim is a weaver and co-author of "Introducing The Elemental Fabric" (Kodansha/Harper & Row). She wrote this for The New York Times.

LATIN AMERICA TOWARDS RENEWED GROWTH London, February 11-12, 1988 The second international conference co-sponsored by the International Herald Tribune and the Inter-American Development Bank. Includes a list of speakers and topics for February 11 and 12.

LUKIAN SATURDAY EVE WRITING OF ART TIONS

Vertical text on the right edge of the page, including page number and some illegible characters.

NYSE Most Actives table with columns for Vol., High, Low, Last, Chg.

Market Sales table with columns for NYSE 4 p.m. volume, NYSE adv. comm. close, Amex 4 p.m. volume, etc.

NYSE Index table with columns for High, Low, Close, Chg.

Thursdays NYSE Closing logo with 'Via The Associated Press' text.

AMEX Diary table with columns for Class, Prev., and various market indicators.

NASDAQ Index table with columns for Class, Prev., and various market indicators.

AMEX Most Actives table with columns for Vol., High, Low, Last, Chg.

Dow Jones Bond Averages table with columns for Bonds, Utilities, Industrials.

NYSE Diary table with columns for Close, Prev., and various market indicators.

Odd-Lot Trading in N.Y. table with columns for Buy, Sales, and various market indicators.

Dow Jones Averages table with columns for Open, High, Low, Last, Chg.

Standard & Poor's Index table with columns for High, Low, Close, Chg.

NASDAQ Diary table with columns for Class, Prev., and various market indicators.

AMEX Stock Index table with columns for High, Low, Close, Chg.

Tables include the nationwide prices up to the closings on Wall Street and do not reflect late trades elsewhere.

NYSE Mixed Ahead of Data

NEW YORK — Prices on the New York Stock Exchange closed on a mixed note on Thursday. Trading was sluggish and dominated by investors' reluctance to commit money to equities before the release of data on the November U.S. trade shortfall.

trade figure to show about a \$2 billion improvement over the October deficit, a record \$17.6 billion. Jack Baker, head of the equity block trading desk at Shearson Lehman Brothers Inc., said he thought the figure will prove to be "a surprise on the plus side" that could boost the market, but he said little is likely to happen before its release.

Table of stock prices for various companies including IBM, AT&T, and others.

Table of stock prices for various companies including Amgen, Genentech, and others.

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JPM 1/15/88

Vertical advertisements on the right margin including 'Continental', 'Chemical Report H', 'GI Debt', and 'IMPORT'.

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FRIDAY, JANUARY 15, 1988

WALL STREET WATCH

Chicago Options Board Girds for Regulatory Battle

By JULIA M. FLYNN

New York Times Service

IN EVALUATING the performance of various financial markets during the October stock collapse, the Presidential Task Force on Market Mechanisms singled out the options market for its sharpest criticism. In particular, it focused on activity in the options contract on the Standard & Poor's 100-share index, charging that small investors were at a severe disadvantage last Oct. 19 and 20.

The description of what happened on those chaotic days is another reminder that when one market relies on another for its pricing data, it is vulnerable to delays and trading halts that investors might not have anticipated.

The report was released last week by the panel headed by former U.S. Senator Nicholas Brady, head of the New York investment banking firm of Dillon, Read & Co. The panel's report on the S&P-100 contract was compiled by lengthy delays in opening trading procedures at the Chicago Board Options Exchange. On Oct. 20, after an 80-minute trading halt, the contract traded for only 52 minutes altogether.

The Brady panel found the options market vulnerable to delays and trading halts Oct. 19-20.

"All markets except options remained free for trading," the presidential commission said in its report. "Nonprofessional participants, who lack access to continuous market information, expect to have continuous opportunities to withdraw from investments in a timely way. Obviously on Oct. 19 and 20, these expectations were unfulfilled."

The report noted that "individual participants who wrote 'put' options, or options to sell, before Oct. 19 and 20 often found themselves either locked into their positions or involuntarily liquidated during these two days."

At the time of the trading halts in the S&P-100 contract, officials of the options exchange said that a large number of the underlying securities of the S&P-100 index were not trading on the New York Stock Exchange, making it difficult to price options contracts.

The panel's report buttresses findings of the National Securities Administrators Association that trading in options was the biggest source of complaints after the October collapse. Indeed, the association received more than three times as many complaints from individual investors about options trading as about stock trading.

MOST OF the complaints involved complex and risky investment strategies, such as "naked puts," or selling of options without owning the underlying securities. The association considers this practice unsuitable for small investors. Last month it called for a crackdown on abusive sales practices by brokers and for raising individual margin requirements to 50 percent from 10 percent.

Officials of the CBOE, the oldest and largest U.S. options exchange, defended the performance of its most popular contract during the chaotic days of mid-October. But exchange officials have begun girding themselves for the regulatory battle that is expected to come.

Alger B. Chapman, the exchange's chairman, said the CBOE was studying a wide range of changes in its operations and regulatory role in response to the October market collapse. Although the CBOE initiated its own study of stock index option prices on Oct. 20 and found them "understandable" in light of the market turmoil at that time, it recently adopted an accelerated opening procedure aimed at starting trading faster during heavy volume.

"Some things need fixing," said Mr. Chapman. "We ought to work on fixing them ourselves rather than relying on regulators and outside industry groups."



Synthetic yarn being drawn from spools and twisted into strands of reinforcing fire cord at Goodyear Tire & Rubber Co.'s plant in Colmar-Berg, Luxembourg. U.S. suppliers of many of Goodyear's parts abandoned the business in 1985 when the dollar was soaring. As a result, all of Goodyear's U.S.-made radial tires, for example, contain wire from abroad.

What the U.S. Is Selling

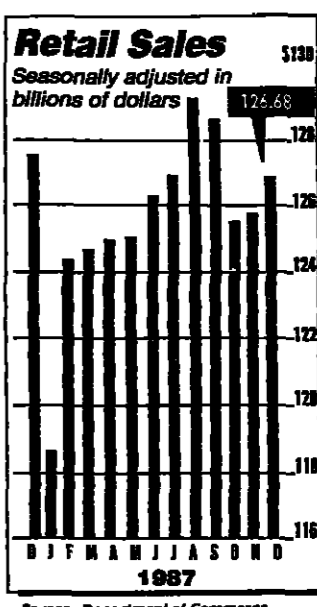
Table with columns: Leading Exports, 1986, Amount (in billions). Rows include Transportation equipment, Office machinery and automated data processing equipment, Electrical machinery and parts, Specialized industrial machinery, Power-generating machinery, Cereals, grains and flours, and Industrial machinery.

And What It Is Buying

Table with columns: Leading Imports, 1986, Amount (in billions). Rows include New passenger cars, Petroleum products, Telecommunications and electronics equipment, Electrical machinery and parts, Clothing and accessories, Office machinery and automated data processing equipment, and Power-generating machinery.

U.S. Retail Sales Edged Up 0.7% In December

WASHINGTON — U.S. retail sales rose 0.7 percent in December, an uptick that reflected strong auto sales but a weak performance among general merchandisers, the Commerce Department said Thursday.



A preliminary estimate showed \$126.7 billion in retail sales, up from \$125.8 billion in November, according to the department's Census Bureau. Economists had predicted an overall increase of about 1 percent. The 0.7 percent rise followed a scant 0.1 percent gain in November, revised from 0.2 percent; and drops of 0.9 percent in October and 1.7 percent in September.

The retail figures are adjusted for seasonal variations, but not for inflation. The December gain was the steepest climb since August, when sales rose 1.5 percent amid incentives at automobile showrooms.

Auto dealers' sales jumped 2.4 percent in December following a 0.7 percent decline in November. Excluding auto sales, retail sales in December advanced just 0.2 percent after a 0.3 percent rise the previous month.

Despite the year-end surge, retail sales for all of 1987 were up just 3.5 percent to \$1.51 trillion. It was the smallest annual gain since a 2.5 percent rise in the recession year of 1982.

Economists had been watching retail sales, particularly Christmas sales, for any sign that the October stock crisis dampened consumer confidence.

Major department stores, in a separate report last week, said that heavy discounting brought last-minute shoppers into the stores after a slow start.

But the government said Thursday that sales at department stores fell 0.7 percent in December after being flat in November. Combined sales of department stores and general merchandise stores fell 0.4 percent in December from November, although they were 5 percent higher than in December 1986.

Robert B. Ortner, the U.S. undersecretary of commerce, said retailers seemed to have "had a de-

cent selling season this Christmas." He said that the comparison with a year earlier suggested "a modest gain in real volume."

But Michael K. Evans, president of a Washington-based forecasting service, said that department store retailers were "whistling past the graveyard." They wanted to put an optimistic gloss on reports to keep up confidence, but the figures suggest that's not warranted.

He attributed the generally soft sales to "ordinary economic factors," however, not the stock collapse. He said the increase in auto sales was triggered by the renewal of sales incentives by domestic car makers.

The increase in sales from November to December came primarily in durable goods, which posted a 1.7 percent advance. Auto sales led the way, followed by a 1.3 percent increase in sales of building materials, hardware, garden supplies and mobile homes.

Economists said a slowdown in retail sales might help the United States make headway in reducing its big trade deficit, a major cause of recent instability on world financial markets. (AP, UPI, Reuters)

U.S. Trade Dilemma: The Foreign Part

By Louis Uchitelle

New York Times Service

NEW YORK — Two deeply ingrained practices of American business have largely escaped notice in the debate on the U.S. trade deficit, but are likely to prevent the shortfall from narrowing much in the 1980s and perhaps beyond, numerous experts say.

One is the practice of manufacturing products in the United States with imported parts and materials, an approach that became widespread in this decade. Eighty-eight percent of American manufacturers now use foreign ingredients, the National Association of Purchasing Management found in a recent survey.

The other is the common practice of American multinational corporations of filling foreign orders from their overseas factories rather than with goods from their U.S. plants. If these multinationals could somehow bring their foreign production back to the United States, the nation's exports would double, Commerce Department statistics indicate.

The sums involved are huge: roughly \$11 billion a month in added imports and \$21 billion a month in lost exports.

They are a major reason why the trade deficit, which hit a monthly record of \$17.6 billion in October, is so hard to reduce, economists say. Many predict that the November deficit, to be announced Friday, will be between \$14.5 billion and \$16 billion.

This is still very high, although the low value of the dollar against other major currencies is indeed increasing exports sharply by making American goods purchased abroad less expensive. The rise in exports — to an estimated \$250 billion in 1987, from \$214 billion in 1986 — is likely to help reduce the trade deficit. Still, imports are expected to total nearly \$400 billion, up from \$383 billion in 1986.

Although the weaker dollar is allowing American companies to increase their domestic production and to export more, many are also stepping up their imports of the parts and materials that go into this rising output.

They are sticking with these imports even though they have become more costly in dollar terms. Similarly, they are sticking with their foreign plants, although most are in Europe and have become less cost-competitive with American plants.

This reluctance to abandon global sourcing and production strategies will only give way if the dollar were to fall below 120 yen from its current level of 127 yen and by a similar percentage against the Deutsche mark — and stay there into the 1990s, said Paul Krugman, an economist and trade expert at the Massachusetts Institute of Technology.

Stephen S. Roach, a senior economist at Morgan Stanley & Co., said the dollar would have to remain at 110 yen or less.

Others basically agree. "We're going to see a shift, but it takes a long time to build up the expectation that the dollar will stay down," said Peter Hooper, an economist at the Federal Reserve system.

For their part, many business executives maintain that even if the dollar were to remain weak for years — and they are not convinced that it will — they would not bring home significant portions of their production. They cite reasons for using foreign suppliers and for manufacturing abroad that have little to do with the dollar's value.

"Our production system may be much more efficient than yours," said one executive. "See IMPORTS, Page 13"

Britoil Dismisses Bid By BP as 'Derisory'

LONDON — Britoil PLC quickly rejected Thursday as "totally inadequate" and "derisory" the \$2.27 billion (\$4.13 billion) cash offer that British Petroleum Co. formally launched for the independent North Sea oil producer.

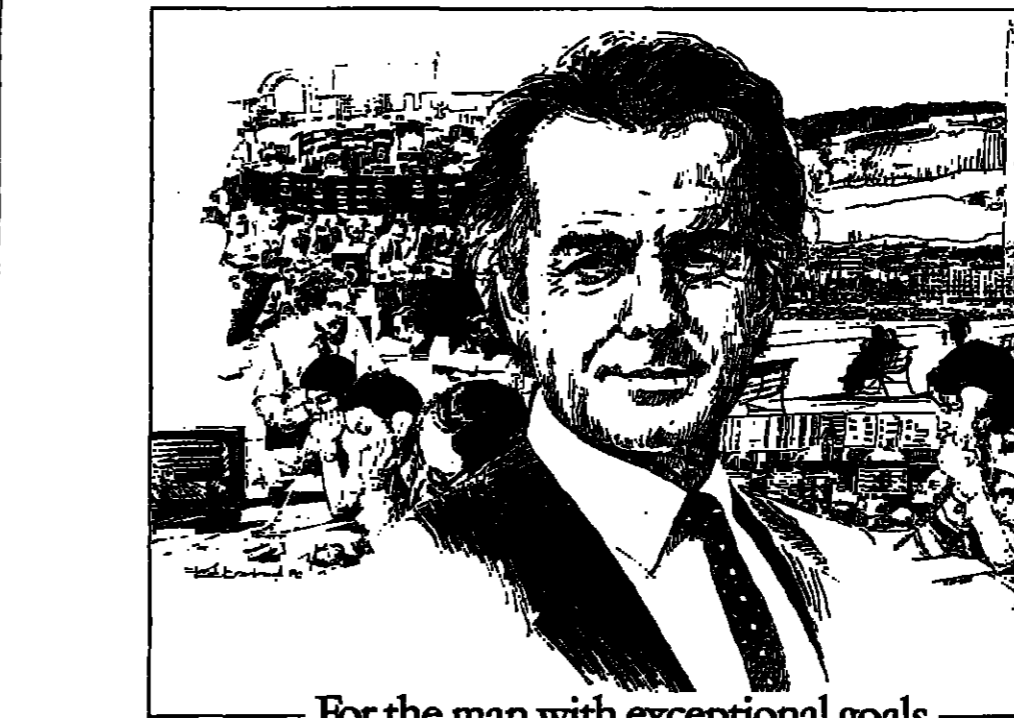
Glasgow-based Britoil, which has reached a friendly agreement with Atlantic Richfield Co. of the United States to acquire a 49.9 percent stake in it, also said a "vigorous defense document is likely to be published within a week."

That document is likely to show that independent consultants value Britoil at 500 pence (\$9.12) a share, a Britoil spokesman said.

BP, which had already announced it would offer 450 pence a share for the 70.1 percent of Britoil it did not own, confirmed the cash offer Thursday in a document sent to Britoil shareholders.

BP also said that it would offer shareholders a lower alternative of cash and BP stock, which, at BP's share price Thursday, valued Britoil shares at 443 pence, or as total of £2.23 billion.

"The partial cash offer is worth even less than the original cash offer," Britoil's chief executive, David Walker, said in a statement. BP's partial-share alternative consisted of one BP ordinary share plus 190 pence in cash for each



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The Trade Development Bank head office in Geneva, at 96-98, rue du Rhône.



Currency Rates

Table of currency rates for various countries including Australia, Canada, France, Germany, Hong Kong, Italy, Japan, etc.

Interest Rates

Table of interest rates for various currencies and terms, including Eurocurrency deposits and U.S. money market funds.

Hong Kong Charges Li Under Law on Bribery

HONG KONG — Ronald Li, the former chairman of the Hong Kong Stock Exchange, was charged Thursday under the colony's Prevention of Bribery Ordinance.

He was charged under Section 9 of the ordinance, which involves accepting, soliciting or offering illegal advantages in relation to one's principal business, a spokesman for the Independent Commission Against Corruption said.

Mr. Li, the exchange's former chief executive, Jeffrey Sun; and the former head of the exchange's stock listing department, Donald Tsang, were arrested Jan. 2 "in connection with enquiries" by the commission. They were released on bail of \$1.28 million for Mr. Li, \$510,000 for Mr. Sun and \$3,800 for Mr. Tsang, though no charges were filed then.

Mr. Li remained free on bail Thursday, pending a court appearance Friday. The charge against him carries a maximum penalty of seven years' imprisonment and a \$64,000 fine, the spokesman said.

The investigations into the activities of Mr. Sun and Mr. Tsang are continuing, the spokesman said.

Mr. Li retired as chairman of the exchange on Dec. 16 after serving the maximum two terms. He was a deputy chairman at the time of his arrest, but was suspended from that position.

Mr. Li is the Hong Kong exchange's best known and most controversial figure. He guided the merger of four rival bourses into a unified market in 1986, but also made the decision to close the exchange for four days when stock prices around the world fell in October.

Many brokers said that move worsened the impact on shares once trading resumed Oct. 26. That day the market's main indicator, the Hang Seng index, plunged 33 percent.

Mr. Li also was criticized by foreign brokers, who complained that they had little say in the running of the exchange although they accounted for most of its trading. (AFP, Reuters)

Gold

Table of gold prices in various currencies and locations, including London, New York, and Zurich.

Thursdays NYSE Closing

Tables include the nationwide prices on the closing on Wall Street and do not reflect late trades elsewhere.

12 Month High Low Stock Div Yld PE

Table with columns: 12 Month High Low Stock Div Yld PE. Lists various stocks and their performance metrics.

Table with columns: 12 Month High Low Stock Div Yld PE. Continuation of stock market data.

Sales of U.S. Cars Rose In First Part of January

By Philip E. Ross. DETROIT — Sales of new American-made cars and light trucks climbed 21.8 percent early this month from the sales in the comparable period a year earlier...

Continuation of the article on U.S. car sales, mentioning Ford Motor Co. and Chrysler Corp.

U.S. Futures Via The Associated Press

Jan. 14

Table with columns: Section High Low Open High Low Close Chg. Lists futures contracts like WHEAT (CBT), SOYBEANS (CBT), etc.

Table with columns: Section High Low Open High Low Close Chg. Lists futures contracts like SOYBEAN MEAL (CBT), SOYBEAN OIL (CBT), etc.

Table with columns: Section High Low Open High Low Close Chg. Lists futures contracts like FEEDER CATTLE (CME), HOGS (CME), etc.

Table with columns: Section High Low Open High Low Close Chg. Lists futures contracts like CATTLE (CME), PORK (CME), etc.

Table with columns: Section High Low Open High Low Close Chg. Lists futures contracts like CURRENCY OPTIONS, PHILADELPHIA EXCHANGE, etc.

Table with columns: Section High Low Open High Low Close Chg. Lists futures contracts like METALS, INDUSTRIALS, etc.

Table with columns: Section High Low Open High Low Close Chg. Lists futures contracts like STOCK INDEXES, COMMODITY INDEXES, etc.

Table with columns: Section High Low Open High Low Close Chg. Lists futures contracts like FINANCIAL, U.S. BILLS (MM), etc.

NYSE High-Lows

NEW HIGHS 1

Table with columns: AmBnd 750, CHY ad 6A, Colm 9, Emhori of, MonstHoll p, MonstCo pl, PhilipsDiet. Lists new high stocks.

Table with columns: NEW HIGHS 2. Lists new high stocks.

Table with columns: NEW LOWS 1. Lists new low stocks.

Table with columns: NEW LOWS 2. Lists new low stocks.

AMEX High-Lows

Table with columns: NEW HIGHS 1, NEW HIGHS 2, NEW LOWS 1. Lists AMEX stock data.

Lead, Zinc Output Rose In West, Group Reports

LONDON — The West's output of lead from mines and refineries rose slightly in the first 11 months of 1987, while a more substantial increase was reported for zinc...

Paris Commodities

Jan. 14

Table with columns: High Low Close Bid Ask Chg. Lists Paris commodity prices like QUOAR, COCOA, etc.

Table with columns: High Low Close Bid Ask Chg. Lists Paris commodity prices like COFFEE, SUGAR, etc.

Table with columns: High Low Close Bid Ask Chg. Lists Paris commodity prices like SOYBEANS, etc.

Table with columns: High Low Close Bid Ask Chg. Lists Paris commodity prices like CATTLE, etc.

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Table with columns: High Low Close Bid Ask Chg. Lists Paris commodity prices like PORK, etc.

Table with columns: High Low Close Bid Ask Chg. Lists Paris commodity prices like METALS, etc.

Table with columns: High Low Close Bid Ask Chg. Lists Paris commodity prices like INDUSTRIALS, etc.

London Commodities

Jan. 14

Table with columns: High Low Close Bid Ask Chg. Lists London commodity prices like SUGAR, COCOA, etc.

Table with columns: High Low Close Bid Ask Chg. Lists London commodity prices like COFFEE, etc.

Table with columns: High Low Close Bid Ask Chg. Lists London commodity prices like SOYBEANS, etc.

Table with columns: High Low Close Bid Ask Chg. Lists London commodity prices like CATTLE, etc.

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Table with columns: High Low Close Bid Ask Chg. Lists London commodity prices like PORK, etc.

Table with columns: High Low Close Bid Ask Chg. Lists London commodity prices like METALS, etc.

Table with columns: High Low Close Bid Ask Chg. Lists London commodity prices like INDUSTRIALS, etc.

Dividends

Jan. 14

Table with columns: Company, Dividend, Pct, Per Share, Ex Date, Pay Date. Lists dividend-paying companies.

Table with columns: Company, Dividend, Pct, Per Share, Ex Date, Pay Date. Continuation of dividend data.

Table with columns: Company, Dividend, Pct, Per Share, Ex Date, Pay Date. Continuation of dividend data.

Table with columns: Company, Dividend, Pct, Per Share, Ex Date, Pay Date. Continuation of dividend data.

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Table with columns: Company, Dividend, Pct, Per Share, Ex Date, Pay Date. Continuation of dividend data.

Table with columns: Company, Dividend, Pct, Per Share, Ex Date, Pay Date. Continuation of dividend data.

Vertical advertisement on the right edge of the page, partially cut off, mentioning 'Continental' and 'Debt Is D'.

BUSINESS ROUNDUP

Continental Adds to Loan Reserves

CHICAGO — Continental Illinois Corp. fighting to come back from its near-collapse in 1984, will add another \$200 million to its reserves to cover possible losses on loans to Third World countries...

Chemical, Bank of New York Report Higher Net in Quarter

NEW YORK — Chemical New York Corp., one of the largest bank holding companies in the United States, said Thursday that its fourth-quarter net profit rose sharply...

GM Debt Is Downgraded

NEW YORK — Moody's Investors Service Inc. said Thursday that it had downgraded the ratings on \$54 billion of debt of General Motors Corp. and its credit subsidiary...

IMPORTS: U.S. Companies Boost Exports — Made With Foreign Parts

(Continued from first finance page) more rigidly tied to imported parts and materials than many people realize...

Grand Met Could Net £25 Million On Seagram Bid

PARIS — Grand Metropolitan PLC of Britain could reap a profit of around £25 million (\$45 million) on its stake in Martell & Cognac if it accepted the Martell takeover offer...

Pearson, Asahi Reportedly Weigh Printing FT in Tokyo

TOKYO — Pearson PLC is seeking an arrangement with the publisher of Asahi Shimbun to print the Financial Times in Tokyo...

Apple-Digital Development Pact Expected

By Andrew Pollack NEW YORK TIMES SERVICE CUPERTINO, California — Apple Computer Inc. is expected to announce Friday that it will enter into a joint development agreement with Digital Equipment Corp...

A Rush on Générale Shares

BRUSSELS — A record number of shares traded Thursday in Belgium's biggest company, Société Générale de Belgique, leaving the Brussels Bourse perplexed over who the mystery buyer might be...

Notice U.S. \$75,000,000 IC Industries Finance Corporation Guaranteed Floating Rate Notes due 1991

Options and Futures for the Private Investor FREE GUIDE A fear of losing unlimited amounts of money and general lack of understanding has led the private investor to avoid the futures and options markets...

Table with columns: Ticker, Bid, Ask. Includes entries for Alan Jones Pit Stop, Bitter Corp, Chiron, GoodMark Food, MAG Holdings, NAWAR, Noz Business Sys, Gold Glory USA Inc.

Turkey Hangup Analysts decided during the holiday season that an oversupply of turkeys would crumple the hog-products market...

Uniroyal Plastics Company, Inc. has sold its European Thermoplastic Sheet Operations to British Vita PLC

Hutton MANAGED CURRENCIES PROGRAM PERFORMANCE RESULT FOR BEGINNING EQUITY OF \$ 20,000 JANUARY 1st 1987 HAS BECOME \$ 37,811 DECEMBER 31st 1987

Familiarity breeds content. Since 16th October, the FT All Share Index has dropped approximately 22%. But before you decide it's time for offshore investors to sever their relationship with the stock market, consider this...

Thursday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Table with columns: 12 Month High/Low, Stock, Div. Yld. PE, 52 High/Low, Close, Chg. Qtr. Chg. Yr. Lists various stocks like AMGN, ABB, etc.

Table with columns: 12 Month High/Low, Stock, Div. Yld. PE, 52 High/Low, Close, Chg. Qtr. Chg. Yr. Lists various stocks like BAY, BOD, etc.

Table with columns: 12 Month High/Low, Stock, Div. Yld. PE, 52 High/Low, Close, Chg. Qtr. Chg. Yr. Lists various stocks like DWG, DMB, etc.

Table with columns: 12 Month High/Low, Stock, Div. Yld. PE, 52 High/Low, Close, Chg. Qtr. Chg. Yr. Lists various stocks like GBI, GDC, etc.

Table with columns: 12 Month High/Low, Stock, Div. Yld. PE, 52 High/Low, Close, Chg. Qtr. Chg. Yr. Lists various stocks like HCO, HEP, etc.

Table with columns: 12 Month High/Low, Stock, Div. Yld. PE, 52 High/Low, Close, Chg. Qtr. Chg. Yr. Lists various stocks like JEC, JTA, etc.

Table with columns: 12 Month High/Low, Stock, Div. Yld. PE, 52 High/Low, Close, Chg. Qtr. Chg. Yr. Lists various stocks like KFC, KTA, etc.

INTERNATIONAL FUNDS (Quotations by Funds Listed) 14th Jan. 1988

Large table listing international funds with columns for fund name, currency, and various performance metrics. Includes sections for AL-AMAL GROUP, BANCORP, etc.

Copper Price Drops \$195 a Ton in London

LONDON—A sudden drop of nearly \$200 a ton in the copper price may signal the end of a boom that took it to historic highs early this month, traders said Thursday. They said a wave of nervous selling took three-month copper futures on the London Metal Exchange down to \$2,250 a ton, a loss of \$195 from Wednesday afternoon. The drop coincided with a forecast by Shearson Lehman Brothers that prices for copper and other base metals, some of which ended 1987 much higher than previously forecast, will fall significantly because the world economy is slowing down. Shearson Lehman's weekly report also said that gold and silver were expected to show a further modest improvement, although the price of platinum would ease. On Jan. 4, three-month copper reached \$2,445, its highest price for eight years. This reflected expectations that good demand through the early part of 1988 would continue to drain already low world stock levels.

TO OUR READERS IN HOLLAND

The International Herald Tribune is now on newsstands throughout Holland every morning six days a week Monday-Saturday. If you have problems getting your copy, please contact: Edipress International BV, Wilhelminastraat 13rd, 2011 VH Haarlem, P.O. Box 363, 2000 AJ Haarlem, Tel.: (023) 32 23 41 / fx 41 833

Floating-Rate Notes

Table listing floating-rate notes with columns for currency, issuer, coupon, and other details. Includes sections for Dollars, Pounds Sterling, and Deutsche Mark.

Vertical advertisements on the right edge of the page, including 'Dollar Slip', 'ASSESS: off', and 'Thursday OTC Prices'.

CURRENCY MARKETS

Dollar Slips as Trade Report Nears

NEW YORK — The dollar slipped Thursday in New York as traders became increasingly nervous about the release Friday of U.S. trade figures for November.

London Dollar Rates table with columns for currency, bid, and ask prices.

day to ensure that "resources" for stabilizing rates were adequate. Earlier in Europe, the dollar rose slightly while traders marked time ahead of the trade report.

Ruding Assails G-7 for Failure To Steady Rates

WASHINGTON — H. Onno Ruding, the Dutch finance minister, said Thursday that the Group of Seven nations had failed to honor their pledges to steady currencies.

Bonn Sticks to '88 Growth Target

By Ferdinand Protzman International Herald Tribune

BONN — Despite evidence that West German economic growth came to a virtual standstill in the final quarter of 1987, officials said Thursday that Chancellor Helmut Kohl's conservative coalition is still aiming for expansion of between 1.5 and 2 percent in 1988.

But Mr. Bangemann said figures showed that, despite the turbulence in the financial markets, there was no "notable deviation" from the growth path that the German economy has followed so far.

He added that the economy would benefit from net tax cuts of 14 billion DM (\$8.54 billion) that take effect this month; low interest rates, and the government's 21 billion DM investment incentive program for municipalities and medium-size and small business.

1987 budget results, said that the budget deficit amounted to 27.5 billion DM, or 5.2 billion DM more than had been planned.

Government expenditures amounted to 269.1 billion DM, barely higher than the government's target of 268.5 billion and 2.9 percent higher than in 1986.

Inflation in France Was 3.1% Last Year

Agence France-Presse

PARIS — French consumer prices rose 3.1 percent in 1987 against 2.1 percent in 1986, according to provisional government figures released Thursday.

ASSESS: Offer to Swap SDRs Is Seen as Halfhearted Way to Aid Dollar

(Continued from Page 1) see an end to the U.S. currency's decline, warmly welcomed the idea of mobilizing IMF special drawing rights in the dollar's defense.

swap agreements with other central banks to borrow foreign currencies in exchange for dollars.

The United States traded special drawing rights for yen and marks, and used them to acquire Swiss francs through a roundabout route, during the dollar rescue operation mounted in November 1987.

serious about defending the dollar, a new issue of Carter-type bonds would make excellent economic sense, the official said.

Price Drops on in London

A sudden drop of nearly 20 percent in the price of gold on Thursday.

JR READER'S HOLLAND

emotional Herald now on newsstand out Holland every morning six days Monday-Saturday.

Main financial data table with columns for High, Low, 4 P.M. Close, and Change. Includes sections for OTC Prices, 12 Month High Low Stock, and various market indices.

TRADE: Monthly Figures Are a U.S. Numbers Game

(Continued from Page 1)

The United States collect documents on shipments entering or leaving the country and forward them to Census's data-processing center in Jeffersonville, Indiana.

Deutsche Mark table with columns for currency, bid, and ask prices.

Japanese Yen table with columns for currency, bid, and ask prices.

Table with columns for currency, bid, and ask prices.

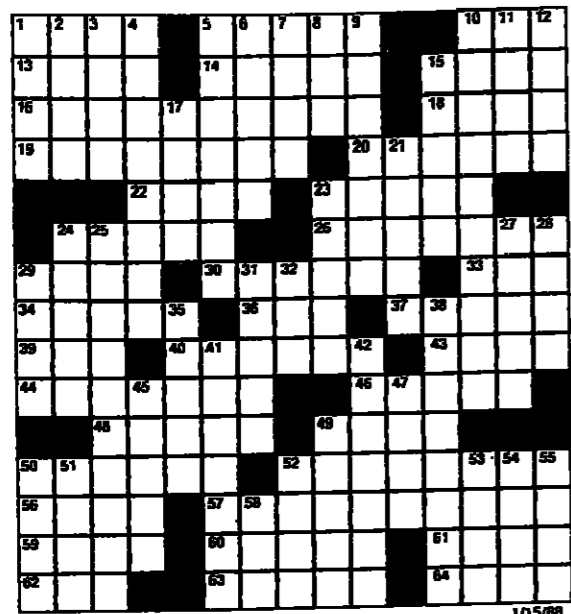
Table with columns for currency, bid, and ask prices.

Table with columns for currency, bid, and ask prices.

Table with columns for currency, bid, and ask prices.

Table with columns for currency, bid, and ask prices.

Table with columns for currency, bid, and ask prices.



**ACROSS**

1 Relative of a nerd  
5 David Copperfield's forte  
10 Vandalize  
13 Tommy... former? Met  
14 U. of Maine site  
15 Starbuck was one  
16 Sapsie Maxie of boxing fame  
18 Gazetteer item  
19 Popped the question  
20 Bunde  
22 Wickups  
23 Home of an eyes

24 Steakhouse order  
26 Artful Dodger's behavior  
28 Turgenyev's birthplace  
30 London's... Row  
33 However, in noisy  
34 Like some topeaks  
36 "We... the World"  
37 Abou Ben...  
39 Aitch preceeder  
40 Vain... "The Potato"  
43 Dai's land

44 Loan  
46 Gateleg  
48 Satie and  
49 Obsidian, e.g.  
50 Woolly  
52 Lowered; resigned  
56 Chorus member  
57 Film featuring  
16 Across: 1991  
59 French trial town: 1942  
60 "The... the Iron Mask"  
61 Lose a lap  
62... 1981 film  
63 Rocket's upper stage  
64 Ingredient of some cakes

12 The McCoy  
15 "West Side Story" girl  
17 Parsing word  
21 Kemper or Spectrum  
23 Late bloomer  
24 True's partner  
25 Italian province and city  
27 Voila!  
28 Kind of plate  
29 Petrova of the silents  
31 Music's Hall and...  
32 Three... in Torino  
35 France's patron saint  
36 Wordy opponents  
41 Before noon, in England  
42 Miller's need  
45... of One's Wool  
47 Tel...  
49 Red head: 1918-24  
50 Daube  
51 Jordanian princess  
52 Sight at Truro, Mass.  
53 Beethoven's "Archduke," e.g.  
54 U.S. satellite  
55 Recondite  
58 Roofing slate

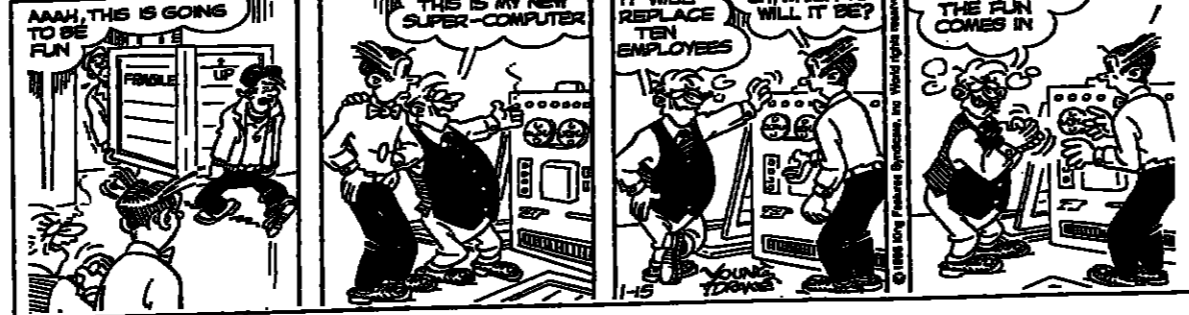
**DOWN**

1 Loom threads  
2 Conductor Buketoff  
3 Middle: Prefix  
4 Sidewalk superintendent's station  
5 Hood  
6 City in Provence  
7 Kern's "Very... Eddie"  
8 Mythical princess  
9 Ve  
10 Contemporary of 16 Across  
11 Fit to...  
12 West Side Story girl  
17 Parsing word  
21 Kemper or Spectrum  
23 Late bloomer  
24 True's partner  
25 Italian province and city  
27 Voila!  
28 Kind of plate  
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53 Beethoven's "Archduke," e.g.  
54 U.S. satellite  
55 Recondite  
58 Roofing slate

PEANUTS



BLONDIE



BEETLE BAILEY



ANDY CAPP



WIZARD OF ID



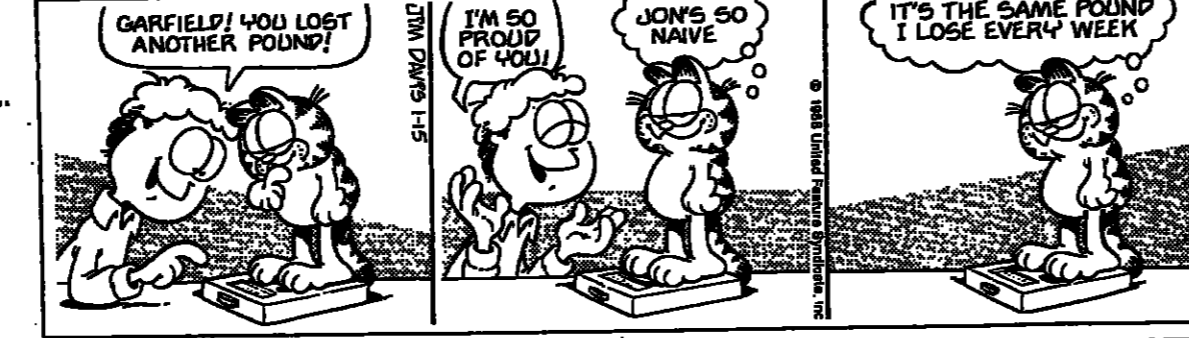
DENNIS THE MENACE



REX MORGAN



GARFIELD



JUMBLE

Unscramble these four jumbles, one letter to each square, to form four ordinary words.

MAIDT  
INBOR  
CUSCOT  
GLUNJE

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

ANSWER: "IT WAS"

Yesterday's Jumble: SHINY FANCY EMBODY UNLESS  
Answer: What he said when an arm wrestled with a package marked "C.O.D." SOUNDS FISHY

WEATHER

EUROPE	HIGH	LOW	ASIA	HIGH	LOW
Aberdeen	12	7	Beijing	23	6
Amsterdam	13	5	Bombay	28	16
Antwerp	13	5	Buenos Aires	21	10
Birmingham	13	5	Calcutta	28	16
Boston	13	5	Chengde	21	10
Breidenburg	13	5	Hankow	21	10
Brighton	13	5	Harbin	21	10
Buenos Aires	13	5	Heilongjiang	21	10
Cardiff	13	5	Shanghai	21	10
Chicago	13	5	Singapore	21	10
Cincinnati	13	5	Taipei	21	10
Cleveland	13	5	Tokyo	21	10
Columbus	13	5			
Dallas	13	5			
Detroit	13	5			
Denver	13	5			
London	13	5			
Los Angeles	13	5			
Madrid	13	5			
Miami	13	5			
Minneapolis	13	5			
Montreal	13	5			
New York	13	5			
Philadelphia	13	5			
Pittsburgh	13	5			
Portland	13	5			
San Francisco	13	5			
Seattle	13	5			
St. Louis	13	5			
Washington	13	5			
Wichita	13	5			
Yokohama	13	5			

World Stock Markets

World Stock Markets  
Via Agence France Presse Closing prices in local currencies, Jan. 14

Market	Index	Change
Amsterdam	153.20	+0.10
Bombay	121.20	+0.10
Buenos Aires	121.20	+0.10
Calcutta	121.20	+0.10
Chengde	121.20	+0.10
Hankow	121.20	+0.10
Harbin	121.20	+0.10
Heilongjiang	121.20	+0.10
Shanghai	121.20	+0.10
Singapore	121.20	+0.10
Taipei	121.20	+0.10
Tokyo	121.20	+0.10

BOOK BRIEFS

**THE NATIONAL GEOGRAPHIC SOCIETY: 100 Years of Adventure and Discovery.** By C.D.B. Bryan. Henry N. Abrams Inc. 100 Fifth Avenue, New York, N.Y. 10011.

In 1984, when President Reagan arrived to dedicate the National Geographic Society's newly completed headquarters in Washington, he apparently looked around the vast new building and then said to his hosts, "I guess you have trouble storing your old National Geographic books."

Well, the collectors who inspired the president's crack can now throw away those piles in the cellar, attic and garage. At least the ones who've been keeping back issues as souvenirs can do so. For C.D.B. Bryan's "National Geographic Society: 100 Years of Adventure and Discovery" captures the essence of the magazine with the familiar yellow-and-white cover. The elephants and frogs are here. The steaming tropical jungles and the snowy mountain peaks. The colorfully dressed natives are here. And the bare-breasted women. The San Francisco earthquake is here. So are floods, blizzards, famines, droughts, hurricanes, pestilence, avalanches and volcanic eruptions. So are the giant Otmece heads and the ant's head blown up to the size of a human's.

Browsers can catch the essence of the book by just looking at the pictures and reading their captions.

Of course, you have to read Bryan's text to appreciate fully the remarkable history of the society, which began in 1888 as a meeting of 33 gentlemen intent upon "organizing a society for the increase and diffusion of geographical knowledge," and has grown in the intervening century to a membership of over 10 million.

In this text, Bryan — the author of three novels and two previous works of nonfiction, "The National Air and Space Museum" and "Friendly Fire," about the Vietnam War experience — has struggled nobly to pull together and render coherent a bewildering variety of material: the history of the society, biographies of its leading personnel and a survey of all of the magazine has covered over a century, to mention only the most obvious.

(Christopher Lehmann-Haupt, NYT)

**MONGOOSE, R.I.P.** By William F. Buckley Jr. Random House, 201 East 50th Street, New York, N.Y. 10022.

William F. Buckley Jr. has dropped a lot of Solution to Previous Puzzle

BALAS	JILT	PAIMS
LEADA	ESAU	TDIVL
ORNOT	REIN	ZEAA
NITPICKER	IBEAL	
DESTRY	RMA	
BEHO	NEGLIGE	
WOODS	SCALEDOWN	
BOON	PALSY	WED
FLYWEIGHT	WEANS	
TAXABLE	SPIN	
SRI	ARGALI	
HARPO	MOI	THEATRI
EQUI	LEVI	TRIAL
RUSS	ERIK	ADORA
BATH	OLDE	PENNY

BRIDGE

By Alan Truscott

THE American Contract Bridge League recently held a meeting to recognize that a slight majority of its membership is over the age of 55. It has therefore sanctioned events and even tournaments for these players, many of whom prefer the peace and quiet of their own age group to the hurly-burly engendered by the rising stars of the younger generation. This prompted the Greater New York Bridge Association to name, for the first time, a Senior Player of the Year. The 1987 winner was Marcel Friedman with a narrow margin over Don Ross, both of Manhattan.

The title was decided last month by the Senior Pairs in the Winter Regional Championships. Friedman finished in a high position with the help of the diagramed deal on which he sat North. His partner was Fran Rechtschaffen of Manhattan, who belongs to the school of thought that favors one club rather than one spade in opening the South hand.

She had an awkward rebid when West overcalled: one spade and North bid two diamonds. Three clubs suggested a six-card suit, but the alternative of two no-trump was also unsatisfactory. The result was a least-evil three no-trump contract on mistif hands, and West led a spade to dummy's king. When the diamond king was held up, dummy, West led his ace, unsure about the location of the missing diamond. South could have passed, but he was not sure of a re-entrant to the dummy. She therefore ducked a club to West, who was surprised with a spade. South took the queen with the ace, ran clubs and reached this ending:

**NORTH**  
♠ K 5 4 3  
♥ Q J 7 6 5 2  
♦ 9 8 7 6 5 4 3  
♣ A K 8 7 6 5

**SOUTH**  
♠ A K Q J 10 9 8 7 6 5 4 3 2  
♥ A K Q J 10 9 8 7 6 5 4 3 2  
♦ A K Q J 10 9 8 7 6 5 4 3 2  
♣ A K Q J 10 9 8 7 6 5 4 3 2

East and West were vulnerable.

South West North East  
1 ♠ 1 ♠ 2 ♠ Pass  
2 ♠ 2 ♠ 3 ♠ Pass  
3 ♠ 3 ♠ 4 ♠ Pass

West led the spade four.

Judging the position carefully, South led a heart which emerged with a useful trick.

Porto Wins Cup

With Jaime Magalhães, a... and Antonio de Sousa... Wednesday night to witness European Porto and Juventus Champions Cup simultaneously (the Champions' Cup and Cup Winners' Cup) despite the losses of... since the first leg...

Monday in the Trib.

Get the latest word from William Safire on Language

London — A £20 million proposal to sponsor England's top football was rejected by the Football Association.

The decision means that the British Open golf tournament, the only major English event without a corporate sponsor, is in jeopardy.

Ted Croker, the FA secretary, says the proposal was a dispute over a fee to change the name...



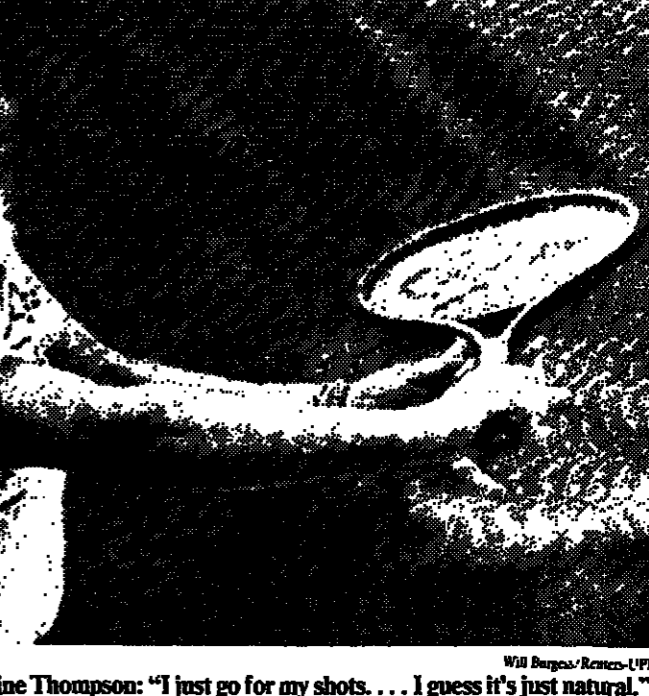
SPORTS

Graf in Top Form; Edberg, Wilander Gain

MELBOURNE — West German Steffi Graf, top-ranked among the world's women players, dazzled tennis fans Thursday with a power game that demolished Janine Thompson and vaulted into the third round of the Australian Open.

In another key match, women's No. 4 seed Pam Shriver of the United States maintained her confident form by outgunning South African Ros Fairbanks, 7-5, 6-0.

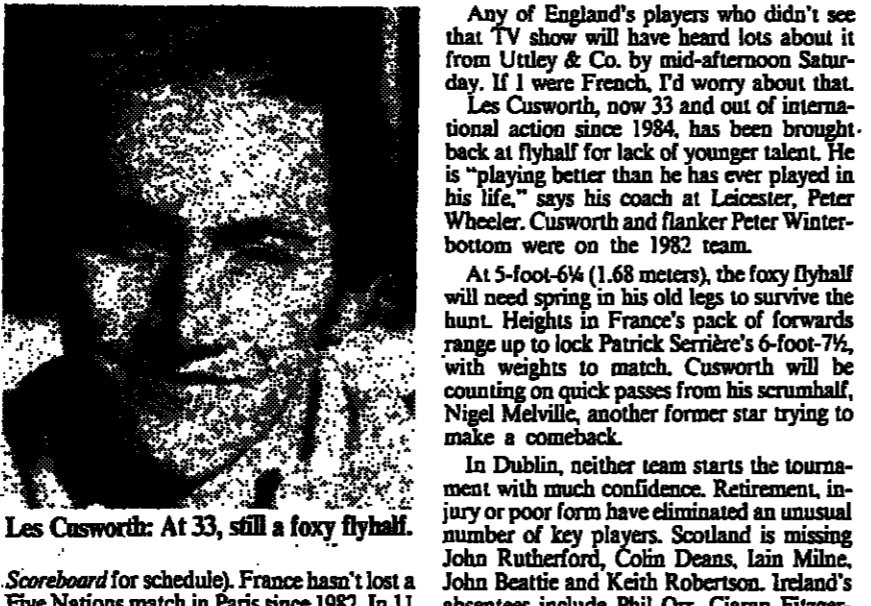
Edberg, the defending champion, beat Mronz, 6-4, 6-3, 6-1, after overcoming off-court problems. He arrived here with 11 rackets and gave three of them to a Melbourne stringer to have the tension adjusted.



Steffi Graf, during her rout of Janine Thompson: "I just go for my shots. . . I guess it's just natural."

French Artistes Have the Leading Roles

PARIS — Rugby is one of Europe's art forms. Like opera or the three-hour lunch. Lately, the French coach, Jacques Fouroux, has been likening past teams to Loire Valley chateaux.



Les Curworth: At 33, still a foxy flyhalf.

Any of England's players who didn't see that TV show will have heard lots about it from Utley & Co. by mid-afternoon Saturday. If it were French, I'd worry about that.

At 5-foot-6 1/2 (1.68 meters), the foxy flyhalf will need spring in his legs to survive the hunt. Heights in France's pack of forwards range up to lock Patrick Serriere's 6-foot-7 1/2, with weights to match.

Porto Wins Cup, Completes Triple

With Jaime Magalhães, above, typifying a ball-control first half and Antonio de Sousa scoring in the 70th minute, Porto registered a 1-0 home-fixture victory over Ajax of Amsterdam Wednesday night to win soccer's European Super Cup on 2-0 aggregate.

Figini, Winner of Downhill, Widens Lead Over Walliser

ZINAL, Switzerland — Michela Figini won her second downhill of the World Cup ski season here Thursday by nearly a second, and surged ahead in her points race with Swiss teammate Maria Walliser.

Figini increased her total at the top of the overall table to 146 points, 44 more than defending champion Walliser, who was fourth (156.52) behind Austrian Petra Kronberger (156.29).

Clippers Halt Streaks

LOS ANGELES — Quintin Daley hit the tying basket and set up the crucial score, a driving lay-up by Larry Drew with 23 seconds left in overtime, as the Los Angeles Clippers stunned the Los Angeles Lakers, 110-109, Wednesday night and halted the National Basketball Association's longest winning streak since 1982.

China to Compete In Summer Games

LAUSANNE, Switzerland — China confirmed Thursday that it would compete at the Summer Olympics in Seoul, ignoring North Korea's appeal for a boycott by communist nations unless it is allowed to co-host the Games.

FA Cup Deal: Beer Bust

LONDON — A £20 million (\$36.4 million) proposal by a brewery to sponsor England's top soccer tournament was rejected Thursday by the Football Association.

SCOREBOARD

Table with columns for U.S. College Results, Basketball, and Tennis. Lists various college sports teams and their scores.

Australian Open Singles Results

Table showing results for the Australian Open Singles, including men's and women's categories.

World Cup Skiing

Table showing results for the World Cup Skiing, including men's and women's categories.

NBA Standings

Table showing NBA Standings for Eastern Conference and Western Conference.

NHL Standings

Table showing NHL Standings for Wales Conference and Campbell Conference.

Rugby

Table showing Five Nations Schedule and results.

WORLD CUP SKIING

Table showing World Cup Skiing results for Downhill, Slalom, and Giant Slalom.

BASEBALL

Table showing American League and National League baseball news and results.

ESCORTS & GUIDES

Table listing various escort and guide services with contact information.

INTERNATIONAL ESCORT

Table listing international escort services like Regency NY, London Kensington, and others.

INTERNATIONAL CLASSIFIED

Table listing classified advertisements for various services and products.

ESCORTS & GUIDES

Table listing local escort and guide services in London and other cities.

PEOPLE

Madonna Statue Lives, But Not in Italy

Plans to erect a statue of the singer Madonna in the village her Italian grandparents left in the 1920s have been canceled. The president of the Naples-based "Friends of Show Business" said at a press conference that work would be completed on the statue, which depicts Madonna in a dance pose wearing a bikini. The four-meter-high (13-foot) likeness will not be erected in the village of Pacentro in the Abruzzi mountains of central Italy. Gianni Volpe said, "but we're going to complete the statue and take it round the world." Madonna has never visited Pacentro.

The National Gallery of Art in Washington says Melina Mercouri, the Greek minister of culture, will attend the opening on Jan. 26 of a five-city traveling exhibition of ancient Greek art. The show, "The Human Figure in Ancient Greece Art," will be seen in Washington, Kansas City, Missouri; Los Angeles, Chicago and Boston over the next 20 months.

Three British newspapers said Thursday that Prince Andrew's wife, Sarah, is expecting the couple's first child. Buckingham Palace would neither deny nor confirm the report.

The French choreographer Maurice Béjart canceled two performances in Lausanne after a disappointing opening night for his ballet "Matriarch Metamorphosis of the Gods" when spectators booed and said they could not see Béjart, who moved his troupe from Brussels to Switzerland last year, offered refunds and had the seats in the vast hall of the Palais de Beaulieu theater raised to help solve the problem. Although the performance received a standing ovation at the end, Béjart said in a statement Thursday that he had canceled the remaining shows out of respect to the public. The hall was not sufficiently transformed for ballet performances, he said.

Novy Mir, the Soviet literary monthly, has begun publishing in translations of Boris Pasternak's "Doctor Zhivago," which had been banned since its publication in 1958 helped win its author the Nobel Prize for literature.

OBSERVER

The Wall Street Minuet

By Russell Baker  
NEW YORK—After the stock market's October blowout Wall Street said it was Washington's fault. What caused it, said Wall Street, was President Reagan's famous voodoo economics: spend and spend, and tax not, tax not, tax not.

Just couldn't do that and get away with it, said Wall Street, putting heavy pressure on Washington for new taxes, whining when Washington took its sweet old time about new taxings. Got to get that mind-blowing deficit down, said Wall Street, and fast.

Washington going about it slow, dragging feet, hating to bring new taxes so soon before elections — that made Wall Street cross. Those cheap politicians, said Wall Street, world's going to the dogs, and they still won't tax, tax, tax.

After all those sweet-smelling, profit-churning, voodoo-dollar (1980 years of rumpus in the booty with nary a grumpy old Puritan gripe about deficit finance, those Wall Street guys went suddenly bonkers because Washington — shocking! shocking! — was running a deficit.

Washington believed in Wall Street, Wall Street was one of the things Reaganism was all about. Anybody who said "Wall Street doesn't know what it's talking about" would have been put out of the Cabinet, the Congress and, worse, off television.

And why not? Didn't they always know on Wall Street? The market went up, they could tell you why in the next edition: "Market rose on strength of new figures issued by War Graves Commission. Market goes down, they're just as quick. 'Despite good interest-rate news, falling demand for animated movie cartoons jolted the market severely.'"

So in Washington hardly anybody said: "How come, if they're so smart, those Wall Street guys weren't all over us for big, big taxes long before the market blowout? How come they waited until the day after to share their wisdom?"

Well, it was done, the Wall Street bill of goods bought in D.C., new taxings decreed, though not enough to satisfy Puritan financiers who declared nothing less than moaning

The Big Ring Theory of David Hykes

By Mike Zwerin  
INTERNATIONAL HERALD TRIBUNE

PARIS — Musical spirituality involves a combination of quality, intensity, acoustics and creative listening. It comes through when performer and listeners resonate together. Something universal must appear to be at stake.

David Hykes does not presume that his music is necessarily more spiritual than anybody else's. He believes the term is used promiscuously. "Spirituality is a result, not a starting point," he says, "and it's impossible to define." Hykes hopes to reach out intellectually and physically as well as spiritually. He would like "to discover a sort of contemporary sacred music."

Hykes directs and writes for the a cappella Harmonic Choir, which sings what he calls "harmonic chant." He speaks of a "unified field," meaning the combining of traditional elements (Tibetan and Mongolian Hoomi Tantaric chant, Hebrew and Islamic liturgical music, Gregorian chant) with avant-garde uses of intonation. Hykes describes the choir's vocabulary as "the sum total of ways a singer can sing both a fundamental tone and at the same time one or more harmonic overtones."

The harmonic, or overtone, series is to sound what the color spectrum is to light. Strike a bass note on the piano and you will hear the sympathetic vibrations it generates. Each "root" has its own harmonic series above it. Harmonics are the genetic material of all musical sound. To sing more than one note at a time, the body must act as a resonating chamber. It starts in the abdomen. From the throat up is a room which you change the size and shape of with your tongue and mouth. After learning to growl a fundamental pitch while sustaining a harmonic, you learn to sustain two. They can be moved individually or in parallel. One can be held while the others move. The fundamental can go down as the harmonics go up or the reverse. The fundamental resembles a bass saxophone, the harmonic a flute or a whistle. All of this exists in a twilight dimension beyond mere intonation.

When John Coltrane "split" notes, he was exploiting harmonics. When Jimi Hendrix fed the sound source, his guitar, back into itself as it came out through the amplifier, the (electronically distorted) overtones screamed. When an operatic contralto breaks a wine glass, it's the harmonics at work. Hykes believes that "no music has the same intensity as the human voice."

He grew up in Taos, New Mexico, and he now realizes that the overtones of the traditional songs sung to him by his Pueblo nurse had something to do with the direction his life was to take. In Antioch College, Ohio, he played drums in a student band directed by a visiting professor, Cecil Taylor. In New York he made experimental films. Searching for an electronically treated "refracted" or "prismatic" sound for his "Moving Parts," screened at the Whitney Museum in 1974, he was led to the Tantaric singing of the Tibetan Gyuto monks and the Dalai Lama's Gyurme monks. He listened to what few records there were and started to learn their techniques.

A "wonderful elderly Mongolian" named Gombobang Hangin, who teaches at the University of Indiana, arranged for Hykes to accompany him on a trip to Mongolia, ostensibly to celebrate the 60th anniversary of the People's Republic. Between "an endless round of celebratory socialist speeches and factory visits," Hykes learned more about the ancient Tantaric singing tradition.

"It is said to have originated near a sacred waterfall in western Mongolia where the geographical resonance of the space produces harmonics. The monks say that this is where mankind chose these laws. The Mongolian origins inspired the Tibetans who developed the technique after the 15th century."

The 34-year-old Hykes is an unpretentious, communicative and worldly man who can speak about good jazz and rock (and good wines) as well as basic musical laws. But he is reluctant to speak of his pilgrimage. "I came to Paris in 1986 because I have had a long-standing interest in the teachings of G.I. Gurdjieff and Paris is a major center for the followers of his ideas. But I feel it is not my place to talk about these



Hykes, discovering "a sort of contemporary sacred music."

people, it would make me seem opportunistic."

He considers his soundtrack for Peter Brook's film about Gurdjieff, "Meetings With Remarkable Men," to be his "most important musical experience." He and the choir continue to be artists-in-residence (since 1979) at the Cathedral of St. John the Divine in New York, although he now spends roughly half the year studying, teaching, composing and performing in Paris. His nonprofit Harmonic Arts Society has received funding from, among others, the U.S. National Endowment for the Arts, the Asian Cultural Council and the UNESCO Fund for the Promotion of Culture. The society's brochure explains that it is "searching to understand how the timeless values of sacred and traditional music can come to life in a contemporary framework."

The Harmonic Choir is sometimes associated with a contemporary category the industry calls "New Age" music (also called "metaphysical music"). Hykes objects. Will Ackerman, the guitarist and founder of Windham Hill records, the central label to this acoustical music phenomenon, in an article titled "Separating Music From Hype" in Frets magazine, wrote: "To be regarded as one of the progenitors of New Age music is a little like being joined at the waist to a Siamese twin with bad breath. Yet Windham Hill recently released an album called: 'The

Gyuto Monks: Tibetan Tantaric Choir."

Hykes is resigned to rejecting categorization. Newsweek listed his choir's first album, "Hearing Solar Winds," as one of the best classical albums of 1982. The New York Times made it a "pop pick" (it has sold over 60,000 copies). "I hate the term 'New Age,'" he says. "It implies passivity on the part of the listener. What we understand as listening is really a limited perception. We tend to listen through a filter — we say, 'Oh, this is classical music' or 'This is jazz.' Then we turn the switch off. You have to listen, not think about listening. It should reveal something universal. Harmonic music is based on a principle that is constant everywhere. The overtone series is a universal truth free of stylistic or cultural barriers."

The members of the choir include an architect, a medical writer, a painter, an ethnomusicologist and the composer Carter Burwell, who has scored music for "Arizona Junior," "Psycho III" and other films. They have in common an interest in making spiritual music — and the ability to sing more than one note at the same time.

"For the monks, the presence of harmonics is a sign that they are resonating spiritually, that the angels are singing with them," says Hykes, who prefers to perform and record in places like the church of the 12th-century Abbaye du Thoronet in Provence, where the resonance is ideal for amplifying the overtones.

"It's not about technical wizardry. There's already too much of that in today's music. However, I have nothing against technology in principle. I use synthesizers that can store up to 40 different tunings in their memory to help me when I compose. I compose all the music the choir sings, although each singer has space to improvise. The significance of the harmonic series as both a source and an aesthetic standard for composition lies in its organic lawfulness and proportion. The harmonic series is even implicit in cosmologist David Bohm's theories as the ordering principle in the vast harmonizing of energies that lead to the Big Bang, which might more accurately be called the Big Ring."

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